

165025  
ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION

Phoenix Address 1200 West Washington  
Phoenix, Arizona 85007

Tucson Address: 402 West Congress  
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE  
A.R.S. Sections 10-128 & 10-1084

PLEASE SEE REVERSE SIDE

Warner Ranch Village  
Unit I Association  
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B  
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A.** No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
  2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
  3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
    - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
    - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
    - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

**B.** For any person or persons who have been or are subject to one or more of the statements in items A.1 through A.3 above, the following information MUST be attached:

1. Full name and prior name(s) used
2. Full birth name
3. Present home address
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION  
A.R.S. Sections 10-128.01 and 10-1083

**C.** Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES \_\_\_ NO X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION

1. Name and address of the corporation.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
  - (a) Was incorporated.
  - (b) Has transacted business
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date court or agency involved and the file or cause number of the case.

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete.

State of Arizona  
County of Maricopa

BY Walter Reed DATE 5-21-85  
TITLE President, Incorporator & Director

Subscribed, sworn to and acknowledged before me this  
21 DAY of May, 1985 JUN 14 1985  
by Walter Reed

BY Carol Ann DATE 5/21/85  
TITLE Vice President, Incorporator & Director  
FISCAL DATE: 12/31

Carol Ann  
NOTARY PUBLIC

My Commission expires: My Commission Expires 01-01-1987

SEE ATTACHED SHEET FOR SIGNATURE OF  
ADDITIONAL OFFICER AND DIRECTOR

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By Lori Luke  
Lori Luke  
Title Secretary/Treasurer and Director

STATE OF ARIZONA )  
                          ) ss.  
County of Maricopa )

Subscribed, sworn to and acknowledged before me  
this 21 day of May, 1985 by Gary Deaver.

Candace L. Starnant  
Notary Public

My Commission Expires:  
My Commission Expires Oct 27, 1987

STATE OF ARIZONA )  
                          ) ss.  
County of Maricopa )

Subscribed, sworn to and acknowledged before me  
this 21 day of May, 1985 by Lori Luke.

Candace L. Starnant  
Notary Public

My Commission Expires:  
\_\_\_\_\_

165023 0016

ARTICLES OF INCORPORATION  
OF  
WARNER RANCH VILLAGE UNIT I ASSOCIATION

AZ CORP COMMISSION  
FOR THE STATE OF AZ.

JUN 7 4 45 PM '85

APPR  
FILE APPROV  
SERV  
DATE TIME

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KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, voluntarily associated ourselves together at a meeting held at 4820 South Mill Avenue, Tempe, Arizona 85282, at 10:00 o'clock a.m. on June 7 1985, for the purpose of forming a private, non-profit corporation, the object of which is not pecuniary profit, having the purpose hereinafter set out, under and pursuant to Chapter 5, Title 10 of the Arizona Revised Statutes, and for the further purpose of electing directors for said corporation. We do hereby adopt the following Articles of Incorporation:

1. Name. The name of the corporation (hereinafter referred to as "the Association") shall be WARNER RANCH VILLAGE UNIT I ASSOCIATION. *ok*

2. Purpose. The Association is organized and shall be operated for the purposes set forth for the "Association" in that certain Declaration of Covenants, Conditions and Restrictions for Warner Ranch Village Unit I ("the Declaration") recorded on May 17, 1985, at Recorder's No. 85-226827, in the office of the Maricopa County, Arizona Recorder, including, but not limited to, the acquisition, construction, management, maintenance and care of association property, provided, however, that the foregoing

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shall not be construed as a limitation on the activities and businesses in which the Association may ultimately engage.

3. Business: The Association initially intends to engage in the following activities (which shall be construed as the character of the non-profit business which the Association initially intends to conduct in the State of Arizona):

a. Provide for the acquisition, construction, management, maintenance and care of association property; and

b. Perform all matters to be performed by the "Association," as that term is used in the Declaration.

Such initial intention shall in no manner whatever limit the character of the activities and businesses in which the Association may ultimately engage.

4. Authorized Stock: The Association shall have no capital stock.

5. Statutory Agent: The name and address of the initial statutory agent of the Association is C. Randall Bain, 222 North Central Avenue, P.O. Box 400, Phoenix, Arizona 85004.

6. Known Place of Business: The known place of business of the Association shall be 4820 South Mill Avenue, Tempe, Arizona 85252, but different and other offices and places for conducting business, both within and without the State of Arizona, may be established from time to time by the board.

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7. Board of Directors; Annual Meetings of Members:

The business and affairs of the Association shall be conducted by a Board of Directors (herein referred to as "the board"). The annual meetings of the members of the Association shall be held on the second Monday of December in each year, commencing with Monday, December 9, 1985, or such other time as the board shall designate. The following three persons, elected by the incorporators at a meeting held on \_\_\_\_\_, 1985, at Tempe, Arizona, shall constitute the board of the Association and shall serve in such capacity until their successors are elected and qualified:

Walter Reed  
5526 South Jolly Roger  
Tempe, Arizona 85283

Gary Deaver  
8260 East Arabian Trail  
Scottsdale, Arizona 85258

Lori Luke  
5250 South Hardy, #1051  
Tempe, Arizona 85283

Otherwise, the number of persons to serve on the board shall be fixed by the Bylaws of the Association but in no event shall it be less than three nor more than seven; further, each member of the board shall be elected for such term as shall be fixed by the Bylaws of the Association, provided, however, that in no event shall any change in the length of such term effected by an amendment to said Bylaws be applied so as to shorten the term being served by any member of the board at the time such amendment is adopted. No person shall be eligible for election as a

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director who is not at the time of election a member of the Association, except such persons as may be designated from time to time by Sunrise Limited Partnership, a Illinois limited partnership (or by an assignee of Sunrise Limited Partnership's rights hereunder), or by a corporate owner (or corporate seller under a recorded executory contract) of a Lot constituting a part of the Property, as those terms are defined in the Declaration. If, after election, any director except for a director designated by Sunrise Limited Partnership (or by an assignee of Sunrise Limited Partnership's rights hereunder) or by a corporate owner (or corporate seller under a recorded executory contract) of a Lot constituting a part of the Property ceases to be a member, his office shall become vacant.

8. Quorum: A quorum at a meeting of the board shall consist of one-half (1/2) of the number of the directors then serving (except that if three (3) directors be then serving, a quorum shall be two (2), and if one (1) director be then serving, a quorum shall be one (1)). Except with respect to the imposition of Special Assessments or certain increases in General Assessments, with respect to which a quorum at a meeting of members is to be determined as provided in the Declaration, a quorum at a meeting of members shall consist of the number of members holding ten percent (10%) of the votes in each class of members (whether represented in person or by valid proxy).

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9. Incorporators: The names and addresses of the incorporators of the Association are:

Walter Reed  
5526 South Jolly Roger  
Tempe, Arizona 85283

Gary Deaver  
8260 East Arabian Trail  
Scottsdale, Arizona 85258

10. Net Earnings: No part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of association property, and other than by a rebate to members of excess membership dues, fees and assessments (and not net earnings)) to the benefit of or be distributable to any member, director or officer of the Association, or to any private individual, except that reasonable compensation may be paid for services rendered to or for the Association and other payments and disbursements may be made in furtherance of one or more of its purposes. Upon the dissolution of the Association, the assets, both real and personal of the Association, after rebate to members of excess membership dues, fees and assessments (and not net earnings) shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as is practicably 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 non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as is practicably

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the same as those to which they were required to be devoted by the Association.

11. Members: The members of the Association and their voting rights shall be determined in the manner set forth in the Declaration.

12. Amendments: The Articles and the Bylaws of the Association may be amended by following the procedure hereinafter set out. The board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote on the proposed amendment, which may be either an annual or a special meeting, and if approved by members holding (either personally or by valid proxy) the Applicable Percentage (defined below) of the votes eligible to be cast on the amendment (including votes otherwise eligible to be cast but not represented personally or by valid proxy at such meeting), such amendment shall have been adopted, provided, however, that a copy of any such proposed amendment or a summary of the changes to be effected shall have been given to each member in good standing at least ten (10) days prior to said meeting of the members. For purposes hereof, the "Applicable Percentage" shall mean, in the case of an amendment to the Articles, seventy-five percent (75%), and in the case of an Amendment to the Bylaws, fifty-one percent (51%). Any number of amendments may be submitted and voted upon at any one meeting. Notwithstanding the foregoing, so long as the Class "B" membership is in existence (as determined in accordance with the Declaration), the following actions shall require



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the prior approval of the Federal Housing Administration and the Veterans Administration: (a) amendment of these Articles of Incorporation or of the Bylaws of the Association; (b) dissolution of the Association; (c) merger or consolidation of the Association with any other entity; (d) dedication or encumbering by the Association of any or all of the Common Area (as defined in the Declaration); and (e) annexation of any additional properties.

13. Private Property: Private property of the incorporators, members, directors and officers of the Association shall be forever exempt from all corporate debts of any kind whatsoever, provided, however, that nothing contained in this Article shall limit the liability of members' property for payment of assessments levied by the Association.

14. Fiscal Year: The fiscal year of the Association shall run from January 1 through December 31 of each year.

15. Indemnification of Officers, Directors, Employees and Agents: Subject to the further provisions hereof, the Association shall indemnify any and all of its existing or former directors, officers, employees and agents against all expenses incurred by them and each of them, including but not limited to, legal fees, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered, or levied in any legal action 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

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his or her service as a director, officer, employee or agent of the Association, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be made by the Association whether the legal action brought or threatened is by or in the right of the Association or by any other person. Whenever any existing or former director, officer, employee or agent shall report to the president of the Association or the chairman of the board that he or she has incurred or may incur expenses, including, but not limited to, legal fees, judgments, penalties and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting within the scope of his or her service as a director, officer, employee or agent of the Association, the board 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 or with gross negligence or with fraudulent or criminal intent. If the board 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 specified herein, provided,

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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 choosing, to defend him or her in the action. The indemnification provided by this Article 15 is not exclusive of any other rights to indemnification provided by Section 10-1005 of Arizona Revised Statutes (or the corresponding provision of any future Arizona Nonprofit Corporation Act) or otherwise provided by law.

IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Arizona, we, the undersigned incorporators, have executed these Articles of Incorporation this 7th day of June, 1985.

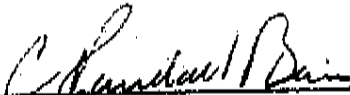
  
\_\_\_\_\_  
Walter Reed

  
\_\_\_\_\_  
Gary Deaver

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C. RANDALL BAIN, having been designated to act as statutory agent for Warner Ranch Village Unit I Association, hereby consents to act in that capacity until either said Association changes its statutory agent in accordance with applicable Arizona law, or until the undersigned resigns as statutory agent in accordance with applicable Arizona law.

  
\_\_\_\_\_  
C. Randall Bain  
222 North Central Avenue  
Suite 1100  
Phoenix, Arizona 85004

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**BROWN & BAIN**A PROFESSIONAL ASSOCIATION  
222 NORTH CENTRAL AVENUE  
(602) 257-8777MAILING ADDRESS  
P. O. BOX 400  
PHOENIX, ARIZONA 85001TELEPHONE: 602-257-0484  
CABLE: BRBAIN  
TWX: 610-951-0888**BROWN & BAIN**  
A PARTNERSHIP ASSOCIATED  
WITH A LAW CORPORATION  
900 HANSEN WAY  
PALO ALTO, CALIFORNIA 94308  
(415) 888-2411

June 7, 1985

Warner Ranch Village Unit I Association

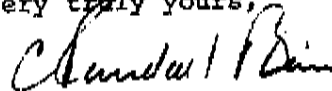
Ladies and Gentlemen:

Please be advised that the undersigned serves as statutory agent for Warner Ranch Association and has been appointed to serve as statutory agent for Warner Ranch Village Unit I Association. The incorporators, officers and directors for Warner Ranch Association also serve in the same capacities for Warner Ranch Village Unit I Association.

Therefore, please be advised that Warner Ranch Village Unit I Association has the full consent and approval of Warner Ranch Association to the use of its corporate name.

Should you have further questions in connection with the foregoing, please contact Randy Stokes in this office.

Very truly yours,



C. Randall Bain

Arizona Corporation Commission  
Incorporating Division  
1200 West Washington  
Phoenix, Arizona 85007

CRB:mah

BY HAND DELIVERY

Intraoffice copy to Mr. Stokes