

# **ARTICLES OF INCORPORATION**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

**ARTICLES OF INCORPORATION, 11/12/1980**

consisting of 12 pages, is a true and complete copy of the original of said document on file with this office for:

**VILLAS EAST FIVE ASSOCIATION, INC.**  
ACC file number: -0134111-0

IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
the official seal of the Arizona Corporation Commission on this date:  
October 13, 2011.



  
\_\_\_\_\_  
Executive Director

By: 

FILED 9800

FISCAL YEAR-END:

Phoenix Address: 2222 West Encanto Blvd.  
Phoenix, Arizona 85009

ARIZONA CORPORATION COMMISSION  
INCORPORATION DIVISION

Tucson Address: 415 West Congress Street  
Tucson, Arizona 85701

Check Appropriate Box(es) "A", "B", or "C"

CERTIFICATE OF DISCLOSURE  
A.R.S. Sections 10-128 & 10-128.01

VILLAS EAST FIVE ASSOCIATION, INC.  
EXACT CORPORATE NAME

THE UNDERSIGNED CERTIFY THAT:

A. No person serving either by election 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 of 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;
  - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
  - (c) Involved the violation of the antitrust or restraint laws 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 "WUST" be attached.

1. Full name and prior names 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, the date and location, the court and public agency involved and the file or cause number of the case.

C. No person (a) serving 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, has 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 "WUST" attach the following information, for each corporation:

1. Name and address of 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, the court or agency involved, and the file or cause number of the case.

Under penalties of law, the undersigned 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.

BY *William C. Kostivas* DATE: 10/29/80 BY *William C. Kostivas* DATE: 10/29/80  
 TITLE: R. Crawford Logan, President TITLE: William C. Kostivas, Vice-President  
 SEE ATTACHED

4620 9800

BY Barbara F. Reilly DATE: 10/29/80 BY Michael R. Bette DATE: 11/4/80  
Title Barbara F. Reilly, Secretary-Treasurer Title Michael I. Curtis, Director

BY Paul Hudanich DATE: 11-2-80 BY \_\_\_\_\_ DATE: \_\_\_\_\_  
Title Paul Hudanich, Director Title \_\_\_\_\_

AT THE OFFICE OF THE  
CLERK OF THE SUPERIOR COURT  
FOR THE COUNTY OF MARICOPA, ARIZONA

May 12 4 00 PM '00

*Copy*  
4/12/00

ARTICLES OF INCORPORATION  
OF

VILLAS EAST FIVE ASSOCIATION, INC.

134111

In compliance with the requirements of ARTICLE XVI, Title 10, Arizona Revised Statutes, the undersigned, all of whom are residents of the State of Arizona and all of whom are of full age, have this date voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is VILLAS EAST FIVE ASSOCIATION, INC., *Oct* hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located in the City of Phoenix, County of Maricopa, State of Arizona.

ARTICLE III

The names and addresses of the incorporators are as follows:

- |  |   |
|--|---|
| R. CRAWFORD LOGAN<br>8601 North Black Canyon<br>Phoenix, Arizona 85021 | WILLIAM C. KOSTRIVAS<br>8601 North Black Canyon<br>Phoenix, Arizona 85021 |
| BARBARA F. REILLY<br>8601 North Black Canyon<br>Phoenix, Arizona 85021 |   |

ARTICLE IV

PURPOSE. The purpose for which this corporation is formed is to act as a "residential real estate management association" within the meaning of Section 528 of the Internal

Revenue Code of 1954, and any amendments thereto; to provide for the maintenance of the common elements and facilities and to act as the council of co-owners (as that term is used in §33-551, et seq., Arizona Revised Statutes) for VILLAS EAST FIVE, a condominium development (the "development"), for the benefit of all the owners of units therein, as contemplated and provided for in that certain Declaration of Horizontal Property Regime and Establishing a Plan for Condominium Ownership, recorded in Docket 9866, commencing at page 387, records of Maricopa County, Arizona ("Declaration"); and plat therein referred to recorded in Book 152 of Maps, page 43, records of Maricopa County, Arizona; and to perform all of the duties and obligations and exercise all of the powers and privileges of the Association as set forth in the Declaration; and to do all other things and exercise all powers and rights of a corporation which are lawful and consistent with the foregoing purposes and the non-profit character of this corporation. Without limiting the generality of the foregoing, to the extent authorized by its Board of Directors and in accordance with the provisions of the Declaration, the Association shall be empowered:

(a) To make and collect assessments against members to defray the costs of the condominium, and to use the proceeds of assessments in the exercise of its powers and duties;

(b) To maintain, operate, repair, rehabilitate, restore, make replacements to, and provide for the operation and management of the condominium property and all buildings, structures and improvements thereon;

(c) To pay all taxes and assessments, if any, which may properly be levied against properties of

the Association, and to repair, rehabilitate and restore all buildings, structures and improvements on said properties;

(d) To insure the condominium property and all buildings and structures thereon as required by the Declaration and such additional risks as the Board of Directors may determine;

(e) To make and amend rules and regulations respecting the use of the condominium property;

(f) To impose liens against individual units to secure the payment of obligations due from the owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Declaration;

(g) To do all things necessary to carry out and to enforce the terms and provisions of the Declaration, and to pay all maintenance, operating and other costs and to do all things and acts which may be in the best interests of the members of the Association or for the peace, comfort, safety or general welfare of the members of the Association, all in accordance with the Declaration;

(h) To contract for the management of the condominium and to delegate to the management entity such powers and duties as determined by the Board of Directors, but subject to the provisions of the Declaration, these Articles and the By-laws of the Association;

(i) To purchase, lease, own, improve, maintain, operate and hold real and personal property of every kind and description; to sell, convey and lease such property; and to mortgage, assign and pledge or otherwise encumber such property;

(j) To borrow money, and to issue notes, bonds and other evidences of indebtedness in furtherance of any or all of the objects and purposes of the Association, and to secure the same by mortgage, trust deed, pledge or other lien on or security interest in, property owned by the Association;

(k) To enter into, perform and carry out leases and contracts of any kind necessary to or in connection therewith or incidental to the accomplishment of any one or more of the objects and purposes of the Association;

(l) To make refunds of excess payments or charges to members as provided for in the Declaration or the By-laws;

(m) To lend or invest its working capital and reserves in a prudent manner;

(n) To act as surety or guarantor, agent, trustee, broker or in any other capacity when appropriate to the fulfillment and the furtherance of its objects and purposes; and

(o) In general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and required.

No part of the net earnings of this corporation shall inure (other than by acquiring, constructing or providing management, maintenance and care of Association property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any member, owner, director or other individual. Notwithstanding any other provision of these Articles of Incorporation, the



Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1954, as amended.

#### ARTICLE V

INITIAL BUSINESS. The character of the business the corporation initially intends to conduct in Arizona is acting as the council of co-owners, as set forth in §33-551, et seq., Arizona Revised Statutes, and homeowners association assessing its members and providing for the maintenance, repairs and activities for the development as contemplated by and provided in the Declaration.

#### ARTICLE VI

MEMBERSHIP. This corporation shall be a non-stock corporation and shall be owned equally by its members who shall also constitute and be collectively called the Association or Council of Co-Owners, and no dividends or pecuniary profits shall be paid to its members. An owner's membership in the Association shall be limited to owners of units in the development, and all of the owners of units in the development shall be members of the Association. An owner's membership in the Association shall cease and terminate immediately upon the owner ceasing to be an owner of a unit in the development. Membership in the Association and any member's share, right, title or interest in and to the funds or assets of the Association cannot be transferred, assigned or hypothecated in any manner whatsoever, except as an appurtenance to the member's ownership of a unit in the development. Each member of the

Association shall be entitled to cast the one vote for each unit owned, all as set forth in the Declaration; provided, however, that in accordance with the laws of the State of Arizona, cumulative voting shall be allowed in the election of members of the Board of Directors. In the event that more than one unit is owned by an individual, firm, partnership or corporation, it shall be entitled to one vote for the units so owned. Other limitations, privileges, obligations and rights of membership in the Association are set forth in the Declaration.

#### ARTICLE VII

BOARD OF DIRECTORS. The affairs of the Association shall be conducted by an initial Board of Directors consisting of five Directors. In addition to the other rights which Declarant has, as set forth in the Declaration, Declarant shall have the right to name at least three (3) members of the Board of Directors to the initial Board. Thereafter, members of the Board shall be elected by the members of the Association at their annual meeting or a special meeting called for that purpose. Except for Board members designated by Declarant, each member of the Board shall be an owner of a unit or the spouse of an owner of a unit, or an officer, director, partner or beneficiary of a corporation, partnership or Trustee owner. Board members shall serve until their successors are designated by Declarant or elected and qualified as applicable. On October 23, 1980, at 7:30 o'clock p.m., a meeting of the undersigned was held at Villas East Five, Phoenix, Arizona, and the following persons were elected as the initial Board of Directors, to serve until the next meeting of the members of the

Association (as described in the Declaration) or until their successors are designated by Declarant:

R. CRAWFORD LOGAN  
8601 North Black Canyon  
Phoenix, Arizona 85021

WILLIAM C. KOSTRIVAS  
8601 North Black Canyon  
Phoenix, Arizona 85021

BARBARA F. REILLY  
8601 North Black Canyon  
Phoenix, Arizona 85021

MICHAEL L. CURTIS  
4023 S. 44th Street  
Phoenix, Arizona 85040

PAUL HUDANICH  
4017 S. 44th Place  
Phoenix, Arizona 85040

#### ARTICLE VIII

CONFLICT OF INTEREST. To the maximum extent allowed by applicable law, no contract, agreement, transaction or arrangement between this corporation and any person, corporation, partnership or other entity shall be affected or invalidated in any way by the fact that any one or all of the directors or officers of this corporation are pecuniarily or otherwise interested in same or are the directors, partners, officers or other personnel of any such other corporation, partnership or entity. No director or officer shall be incapacitated or in any way prohibited from acting or voting by reason of any interest in the contract, agreement, transaction or arrangement, and no person, corporation, partnership or other entity, shall be liable to account to this corporation for any profit realized on account of any such contract, agreement, transaction or arrangement by reason of such interest, unless it is affirm-

atively shown that said profit was obtained through actual fraud.

#### ARTICLE IX

LIMITATIONS. As set forth in the Declaration, the Association is subject to certain limitations. No amendment to these Articles nor any action taken by the Association pursuant hereto shall be contrary to or in conflict with the limitations and other matters set forth in the Declaration.

#### ARTICLE X

INCONSISTENCIES. In the event that any part or provision of these Articles of Incorporation are in conflict or inconsistent with the Declaration or with the rules, regulations and requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, the terms and provisions of the Declaration and the rules, regulations and requirements of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall prevail and supercede such conflicting or inconsistent provisions hereof.

#### ARTICLE XI

AMENDMENTS. Subject to the terms and conditions herein set forth, and expressly subject to the terms and conditions of the Declaration, these Articles of Incorporation may be amended, altered or repealed only by the affirmative vote of a majority of the votes of the members of the Association then entitled to vote at any regular or special meeting, in person or by proxy, and upon ten (10) days' prior written notice to all first mortgagees and, if required by law, after publication in a newspaper having general circulation in

Maricopa County, Arizona.

ARTICLE XII

BY-LAWS. The initial By-laws of the Association will be those previously adopted and recorded in Docket 9866 commencing at page 404, records of Maricopa County, Arizona, by the Association prior to incorporation. The By-laws and any amendments or alterations thereto shall be valid only if consistent with the declaration and these Articles of Incorporation.

ARTICLE XIII

STATUTORY AGENT. This corporation does hereby appoint SIDNEY G. McCLUE, JR., 4150 North 12th Street, Phoenix, Arizona 85014, as its initial Statutory Agent.

IN WITNESS WHEREOF, we have hereunto set our hands this 29<sup>th</sup> day of October, 1980.

  
R. CRAWFORD LOGAN

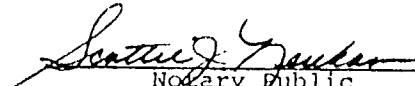
  
WILLIAM C. KOSTRIVAS

  
BARBARA F. REILLY

STATE OF ARIZONA     )  
                                  : ss.  
County of Maricopa    )

On this the 29<sup>th</sup> day of October, 1980,  
before me, the undersigned Notary Public, personally  
appeared R. CRAWFORD LOGAN, WILLIAM C. KOSTRIVAS and BARBARA

F. REILLY, known to me to be the persons whose names are  
subscribed to the foregoing instrument, and acknowledged that  
they executed the same for the purposes therein contained.

  
Notary Public

My Commission Expires:

4-20-82