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ARIZONA CORP. COMMISSION

ARTICLES OF INCORPORATION  
OF  
COLLEGE POINT HOMEOWNERS ASSOCIATION, INC.,  
an Arizona non-profit corporation

In compliance with the requirements of §10-1002, et seq., Arizona Revised Statutes, as may from time to time be amended, the undersigned, all of whom are of full legal age, have voluntarily associated themselves on the date set forth below for the purpose of forming an Arizona non-profit corporation, and do hereby certify and adopt the following Articles of Incorporation (sometimes referred to as "Articles"):

ARTICLE I

NAME

The name of the corporation is COLLEGE POINT HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II

DEFINED TERMS

Terms in all capital letters used in these Articles without definition shall have the meanings specified for those terms in the Declaration of Homeowner Benefits and Covenants, Conditions, and Restrictions for College Point Homeowners Association recorded with the County Recorder of Maricopa County, Arizona, at Document No. 87 452517 (hereinafter referred to as the "Declaration"). In the case of any conflict between the Articles and the Declaration, the Declaration shall control. As used in these Articles of Incorporation, the term "Association Property" shall mean the COMMON AREAS, all other property owned by the Association or placed under its jurisdiction, all property and improvements within the PROPERTY used in common by and for the benefit of the OWNERS of LOTS, and any additions to any of the foregoing as may be brought within the jurisdiction of the Association pursuant to the Declaration.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 2255 N. 44th Street, Suite 100, Phoenix, Arizona, 85008.

ARTICLE IV

STATUTORY AGENT

Lynn T. Ziolkko, Esq., whose address is 2525 East Arizona Biltmore Circle, Suite 140, Phoenix, Arizona, 85016, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated Statutory Agent for the corporation, for the State of Arizona, upon whom service of process may be made. This appointment may be revoked at any time by the Board of Directors of the Association by the filing of the appointment of another Statutory Agent.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to provide for the acquisition, construction, management, maintenance, and care of the Association Property. In furtherance of, and in order to accomplish these objects and purposes, the Association may transact any or all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as such laws may be amended from time to time. All business transacted by the Association shall be transacted in such a way so as to further its tax-exempt status as an association under the Internal Revenue Code, if the Association so elects to be treated as such a tax-exempt organization. The Association shall come into existence on the date of the filing of these Articles with the Arizona Corporation Commission.

ARTICLE VI

THE CHARACTER OF THE BUSINESS

The general nature and character of the business to be transacted by the Association shall be as follows:

(a) To own, operate, repair, manage, and maintain the Association Property;

(b) To (i) accept the Association Property and to maintain, repair, and replace all landscaping, parking areas, walk areas, recreational facilities and areas, and private streets upon the Association Property which are the responsibility of the Association to maintain, repair, and replace pursuant to the Declaration; (ii) pay all taxes and assessments, if any, which may be properly levied against the Association Property; (iii) fix and levy assessments and impress liens against the individual LOTS to secure the payment of all



assessments and other obligations due from the OWNERS thereof to the Association and to collect, foreclose, or otherwise enforce, compromise, release, satisfy, and discharge these liens and demands, and to do all other acts necessary to the filing, maintenance, and discharge of these demands and liens; (iv) take any action necessary to enforce the PROJECT DOCUMENTS; (v) do any and all lawful things and acts which the Association, at any time and from time to time, shall in its sole discretion, deem to be in the best interests of the MEMBERS (and to pay all costs and expenses in connection therewith) and in connection with any and all the purposes of the Association; (vi) 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 the Association 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; and (vii) do any and all things and exercise all rights and powers permitted to non-profit corporations under the laws of the State of Arizona (as may from time to time be amended), including the power to mortgage or encumber the Association Property and to take any action necessary to enforce the PROJECT DOCUMENTS;

(c) To enter into, perform, and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purpose(s) of the Association;

(d) To borrow and loan money, and give, take, pledge, 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, but only with the consent of two-thirds (2/3) of each class of MEMBERS; provided, however, that the consent of two-thirds (2/3) of each class of MEMBERS shall not be required in order for the ASSOCIATION to borrow \$5,000.00 or less;

(e) Adopt and amend the Bylaws of the Association;

(f) Adopt and amend budgets for revenues, expenditures, and reserves;

(g) Institute, defend, or intervene in litigation or administrative proceedings in its own name or on behalf of itself or two (2) or more OWNERS on matters affecting the PROPERTY;

(h) To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental, or convenient in carrying out of any of the business or purposes of the Association, including, without limitation, all acts necessary to perform all obligations and duties and exercise all rights and powers of the Association under the PROJECT DOCUMENTS; and

(i) To indemnify the Directors, officers, MEMBERS, employees, or agents of the Association in the manner and upon the conditions specified in the Bylaws.

## ARTICLE VII

### MEMBERSHIP

1. Identity of Members. The Association shall be a non-stock corporation. No stock shall be issued, and no dividends or pecuniary profits shall be paid at any time to its MEMBERS. Membership in the Association shall be limited to OWNERS of LOTS. An OWNER of a LOT shall automatically, upon becoming the OWNER of such LOT, become 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 the Association shall automatically cease.

2. Transfer of Membership. Membership in the Association shall be appurtenant to each LOT and a membership in the Association shall not be transferred, pledged, or alienated in any way, except (i) upon the sale of a LOT, and then only to the purchaser(s); (ii) by intestate succession or testamentary disposition; (iii) foreclosure of mortgage (or similar security instrument) of record; or (iv) other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

3. First Annual Meeting. The first annual meeting of the MEMBERS of the Association shall be held on July 1, 1988, or at such other date designated by the Board of Directors; provided, however, that the first annual meeting of the MEMBERS of the Association shall in no event be held later than one (1) year after the date of the close of escrow on the first LOT sold by the DECLARANT to an OWNER.

## ARTICLE VIII

### VOTING RIGHTS

1. Classes of Members. The Association shall have two classes of voting membership, Class A and Class B.

2. Class A. Class A members shall be all OWNERS of LOTS with the exception of the DECLARANT. Each Class A member shall be entitled to one (1) vote for each LOT owned.

3. Class B. The Class B member shall be the DECLARANT. 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 upon the happening of any of the following events, whichever occurs earlier:



(a) When the total of votes outstanding in Class A membership equals the total of votes outstanding in Class B membership;

(b) On December 31, 1993; or

(c) When the DECLARANT notifies the Association in writing that it relinquishes its Class B membership.

4. Joint Ownership. When more than one person is the OWNER of any LOT, all such persons shall be MEMBERS. The vote for such LOT shall be exercised as they, among themselves, determine; however, in no event shall more than one (1) vote be cast with respect to any LOT. The votes for each LOT must be cast as a whole unit, and fractional votes shall not be allowed. In the event that joint OWNERS are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any OWNER casts a ballot representing a certain LOT, it will thereafter be conclusively presumed for all purposes that he/she was acting with the authority and consent of all other OWNERS of the same LOT. In the event more than one ballot is cast for a particular LOT, none of the votes shall be counted and said votes shall be deemed void.

5. Corporate Ownership. In the event any LOT is owned by a corporation, partnership, or other association, the corporation, partnership, or association shall be a MEMBER and shall designate, in writing, at the time of acquisition of the LOT, an individual who shall have the power to vote. In the absence of a designation and until a designation is made, the chief executive officer or managing partner, as applicable, of the corporation, partnership, or association shall have the power to vote the membership. If there is no chief executive officer or managing partner, the Board of Directors of the Association shall designate whom shall have the power to vote.

6. Suspension of Voting Rights. In the event any OWNER shall be in arrears in the payment of any assessments or other amounts due under any of the provisions of the Declaration and/or the other PROJECT DOCUMENTS for a period of fifteen (15) days, the OWNER's right to vote as a MEMBER of the Association shall be suspended and shall remain suspended until all payments, together with accrued interest, late charges, and all attorney's fees incurred, are brought current and kept current. In the event any OWNER commits or permits to exist any non-monetary infraction of the Declaration and/or the other PROJECT DOCUMENTS and does not immediately (or within such reasonable time as may be necessary) correct or take reasonable steps to correct the infraction, the OWNER's right to vote as MEMBER of the Association shall be suspended and shall remain suspended for any period during which such infraction remains uncured.

ARTICLE IX

BOARD OF DIRECTORS

1. Number and Affairs. The affairs of the Association shall be conducted by a Board of Directors of the Association (herein sometimes individually or collectively called "Board", "Directors", "Director", or "Board of Directors") and such officers and committees as the Board may elect and appoint. So long as there is a Class B membership in the Association, the Directors need not be MEMBERS of the Association. After the termination of the Class B membership, all Directors must be MEMBERS of the Association. The Board may increase the number of Directors on the Board; however, the number of Directors must always be an odd number and may not exceed seven (7) Directors. The number of Directors constituting the initial Board shall be three (3). The names and addresses of the first Directors of the Association are as follows:

<u>Name</u>	<u>Mailing Address</u>
Gregory S. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008
Ricky L. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008
Rebecca J. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008

The initial Directors shall serve until the first annual meeting of the MEMBERS and until their successors have been elected and qualified.

2. Vacancy. Vacancies on the Board caused by any reason other than the removal of a Director by the MEMBERS shall be filled by a majority vote of the remaining Directors at the first regular or special meeting of the Board held after the occurrence of the vacancy. Each person elected shall serve the unexpired portion of the prior Director's term.

3. Bylaws. The Board is expressly authorized to adopt bylaws for the Association (herein called "Bylaws"), by a majority vote of the Board, at a regular or special meeting.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the affirmative assent given in writing and signed by not less than two-thirds



(2/3) of the authorized votes of each class of MEMBERS. Upon dissolution of the Association, other than incidental 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, the assets shall be granted, conveyed, or assigned to any non-profit corporation, association, trust, or other organization to be devoted to a similar purpose(s).

#### ARTICLE XI

##### AMENDMENTS

Amendment of these Articles shall require the affirmative assent of at least seventy-five percent (75%) of the authorized votes of each class of MEMBERS.

#### ARTICLE XII

##### INCORPORATORS

The names and addresses of the incorporators of the Association are:

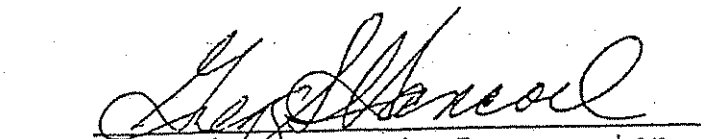
<u>Names</u>	<u>Addresses</u>
Gregory S. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008
Ricky L. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008
Rebecca J. Hancock	2255 N. 44th Street Suite 100 Phoenix, Arizona 85008

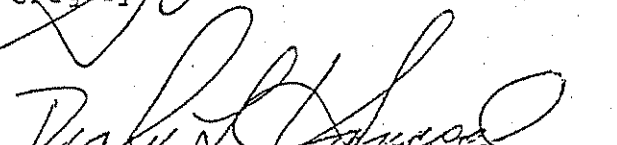
#### ARTICLE XIII

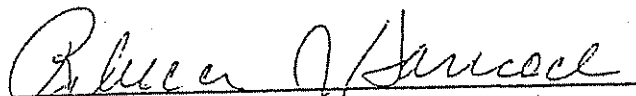
##### FHA/VA APPROVAL

As long as there is a Class B membership, the following will require the prior approval of the Federal Housing Administration or the Veterans Administration, if applicable: (i) annexation of additional properties; (ii) mergers and consolidations; (iii) mortgaging of COMMON AREAS; (iv) dedication of COMMON AREAS; (v) undertaking self-management of the Association Property or the Association; and (vi) dissolution and amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of the Association, have executed these Articles of Incorporation as of October 12, 1987.

  
\_\_\_\_\_  
Gregory S. Hancock, Incorporator


  
\_\_\_\_\_  
Ricky L. Hancock, Incorporator

  
\_\_\_\_\_  
Rebecca J. Hancock, Incorporator

STATE OF ARIZONA                    )  
  ) ss.  
County of Maricopa                 )

On this, the 12th day of October, 1987, before me, the undersigned Notary Public, personally appeared Gregory S. Hancock, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
July 14, 1989



STATE OF ARIZONA            )  
                                  )ss.  
County of Maricopa         )

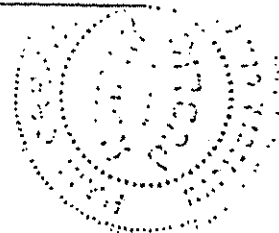
On this, the 12th day of October, 1987,  
before me, the undersigned Notary Public, personally appeared  
Ricky L. Hancock, known to me to be the person whose name is  
subscribed to the within instrument and acknowledged that he  
executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official  
seal.

Pam Greenwood  
Notary Public

My Commission Expires:

July 14, 1989



STATE OF ARIZONA            )  
                                  )ss.  
County of Maricopa         )

On this, the 12th day of October, 1987,  
before me, the undersigned Notary Public, personally appeared  
Rebecca J. Hancock, known to me to be the person whose name is  
subscribed to the within instrument and acknowledged that she  
executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official  
seal.

Pam Greenwood  
Notary Public

My Commission Expires:

July 14, 1989

