

ARTICLES OF INCORPORATION  
OF  
EXETER PLACE ASSOCIATION, INC.

FEB 15 9 58 AM '80  
APPR. A. Gordon  
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The undersigned, whose addresses appear opposite their respective names below, have this day associated themselves for the purpose of forming a non-profit Corporation under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation:

ARTICLE I

Name

The name of this Corporation shall be EXETER PLACE ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II

Business and Purpose

Section 1. This Association is formed to serve as the governing body for every "Owner" of a "Lot", as those terms are defined in that certain Third Amendment to Declaration of Covenants, Conditions, and Restrictions for the EXETER PLACE Planned Unit Development, which is recorded in Docket 12519, Page 233 in the Office of the County Recorder of Maricopa County, Arizona (hereinafter referred to as the "Declaration"). All capitalized terms as used in these Articles of Incorporation shall

have the same meaning as set forth in the Declaration.

As provided in and pursuant to the Declaration, this Association shall, to the extent permitted by applicable law, serve as the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Area, and the performance of such duties and functions, and the exercise of such rights, as are given and assigned to it by said Declaration as the same may hereafter be amended.

Section 2. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Association shall inure to the benefit of any private member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Common Area and other than by a rebate of Excess Assessments). Further, any other provision herein to the contrary notwithstanding, the Association shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and the rules and regulations of the U.S. Internal Revenue Service promulgated thereunder, as they now exist or as they may hereafter be amended, or by an organization, the contributions to which are deductible under Section 170(c)(2) of such Code, rules, and regulations as

they now exist or as they may hereafter be amended.

Section 3. In the conduct of its business, this Association, to the extent authorized by its Board of Directors and in accordance with the provisions of the Declaration, shall be empowered to do all things that a private person or individual might do under the laws of the State of Arizona. The specific purposes for which this Association is formed is to provide for the maintenance, preservation, and architectural control of the residence Lots and Common Area within that certain tract of real property situated in the City of Mesa , County of Maricopa, State of Arizona, which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) Accept such properties, improvements, rights, and interest as may be conveyed, leased, assigned, or transferred to this Association and to assume such obligations and duties as may be contained in any lease assigned or transferred to this Association;

(b) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the above referenced Declaration applicable to the Properties, 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;

(c) Fix, levy, collect, and enforce payment by any lawful

means, all charges or Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(d) Acquire by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) 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 two-thirds (2/3) of each class of members, agreeing to such dedication, sale, or transfer;

(g) Participate in mergers and consolidations with other non-profit organizations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each class of members;

(h) Maintain and otherwise manage all of the Common Area, including all facilities, and landscaping thereon, and all other

property acquired by the Association; pay all taxes and assessments, if any, which may properly be levied against the Common Area; repair, rehabilitate and restore the Common Area; insure the Common Area against such risks as the Board of Directors shall determine;

(i) Enter into Management Agreements with third parties authorizing such parties to carry on any activities which might be legally carried on by the Association and delegated by the Association to third parties;

(j) Enter into, perform, and carry out leases and contracts of any kind necessary to, in connection with, or incidental to the accomplishment of any one or more of the objects and purposes of this Association.

(k) Lend or invest its working capital and reserves with or without security;

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

(m) Sue and be sued;

(n) In general have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-profit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

Section 4. The character of business which the Association initially intends to conduct in the State of Arizona is the operation of a planned unit development management association to pro-

vide for the management, maintenance and care of the Common Area, and of the homes situated upon the Properties as set forth in the Declaration, for the benefit of the members of the Association.

### ARTICLE III

#### Place of Business

The principal place of business and office for the transaction of business of this Association shall be located at c/o CANAVEST, INC. 8009 Via de Ventura, Suite C-138  
Scottsdale, Arizona 85258,

but other offices may be established and maintained in such places as the Board of Directors may designate and where, except as otherwise provided in these Articles of Incorporation or the By-Laws, meetings of members of the Association and the Board of Directors may be held.

### ARTICLE IV

#### Membership

Section 1. The Association shall be a non-stock corporation and shall be owned by its members, and no dividends or pecuniary profits shall be paid to its members.

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association as provided for in the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or

entities who hold an interest in any Lot merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association as provided for in the Declaration. An Owner shall automatically 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. Not more than one membership shall exist based upon ownership of a Lot.

Section 2. 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. The membership held by an Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance of a Lot, and then only to the purchase of such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

Section 3. The Association shall have two (2) classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one Person owns an interest in a Lot, each such Person shall be a member of the Association but the vote for such Lot shall be exercised as the Co-Owners themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall not be required

to recognize the vote or written assent of any such Co-Owner except the vote or written assent of the Co-Owner designated in writing executed by all of such Co-Owners and delivered to the Association.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot which it owns; provided, however, the Class B Membership shall cease and be converted into Class A Membership on the happening of whichever of the following is first in time:

(a) when the total votes outstanding in the Class A Membership equal or exceed the total votes outstanding in the Class B Membership; of

(b) on December 31, 1979 or such later date as provided in the Declaration.

Cumulative Voting. In the election of directors, members shall be entitled to cumulate their votes in accordance with Article XIV, Section X, of the Constitution of the State of Arizona.

## ARTICLE V

### Board of Directors

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than three (3) nor more than nine (9) members. The names and addresses of those selected at a meeting held in Scottsdale, Arizona on February 15, 1980, at 8009 Via de Ventura, Suite C-138, Scottsdale, Arizona, to serve as directors beginning with the incorporation of this Association and until their successors shall be chosen are:



William J. Sladek

T.W. Clayton

John W. Weideman

8009 Via de Ventura, Suite C-138  
Scottsdale, Arizona 85258

8009 Via de Ventura, Suite C-138  
Scottsdale, Arizona 85258

8009 Via de Ventura, Suite C-138  
Scottsdale, Arizona 85258

The directors serving upon the Board need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. At the first annual meeting, the members shall elect nine (9) directors; three directors for a term of one (1) year, three directors for a term of two (2) years, and three directors for a term of three (3) years; and at each annual meeting thereafter, the members shall elect three directors for a term of three (3) years.

#### ARTICLE VI

##### Private Property

The Owners, directors, and officers of this Association shall not be liable for the debts of this Association, and the private property of the Owners, directors and officers of this Association shall be forever exempt from corporate debts of any kind whatsoever, provided, however, that nothing herein contained shall limit or restrict any liability, obligation or responsibility

of the Owners hereof to each other or to this Association as are set forth in the Declaration.

#### ARTICLE VII

##### Statutory Agent

This Association does hereby appoint John W. Weideman, 8009 Via de Ventura, Suite C-138, Scottsdale, Arizona 85258, its lawful agent in and for the State of Arizona for and on behalf of said Association, in any of the courts in said State of Arizona, such service of process or notice, or the acceptance thereof, by said agent endorsed thereon to have the same force and effect as if served upon an officer of the Association. The foregoing appointment may be revoked at any time by filing an appointment of a successor agent.

#### ARTICLE VIII

##### Indemnification

The Association may indemnify any and all of its present or former directors, officers, employees, or agents to the maximum extent permitted by applicable law. Without limiting the generality of the foregoing, the Association may indemnify any and all of its directors and officers, or former directors and officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such persons in a legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as

a director or officer of the Association, provided that the Board of Directors shall determine 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 omission.

#### ARTICLE IX

#### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident 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 acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE X

#### Interpretation

If there is any conflict between or among the Declaration, these Articles of Incorporation, the Bylaws, or the rules and regulations of the Association created hereby, the provisions of the Declaration shall prevail; thereafter, priority shall be given first to these Articles, then to the Bylaws, and then to the rules and regulations of the Association being created hereby.

ARTICLE XI

Duration

The duration of this Association shall be perpetual.

ARTICLE XII

Fiscal Year

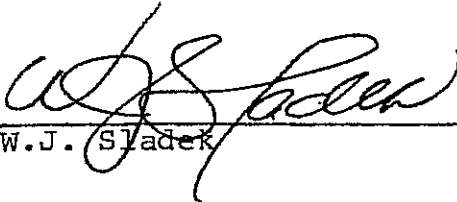
The fiscal year of the Association shall begin on the 1st day of January of each year and shall end on the 31st day of December of each year.

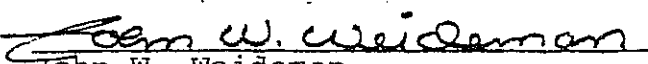
ARTICLE XIII

Amendments

Amendments of the Articles shall require the assent and approval of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, we, the undersigned incorporators, have executed these Articles of Incorporation as of the 15th day of February, 1980.

  
\_\_\_\_\_  
W.J. Sladek

  
\_\_\_\_\_  
John W. Weideman

STATE OF ARIZONA     )  
                              )  
COUNTY OF MARICOPA )     ss.

On this, the 14th day of February, 1980,  
before me, the undersigned Notary Public, personally appeared  
Wj Sladek, known to me to be the person  
whose name is subscribed to the foregoing instrument, and acknow-  
ledged that he executed the same for the purposes therein contained.

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

Heather Grandis  
Notary Public

My commission expires:

My Commission Expires Sept. 7, 1982

STATE OF ARIZONA     )  
                              )  
COUNTY OF MARICOPA )     ss.

On this, the 14th day of February, 1980,  
before me, the undersigned Notary Public, personally appeared  
John W. Weideman, known to me to be the person whose  
name is subscribed to the foregoing instrument, and acknowledged  
that he executed the same for the purposes therein contained.

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

Heather Grandis  
Notary Public

My commission expires:

My Commission Expires Sept. 7, 1982