

EXPEDITED
AZ CORP COMMISSION
FILED

ARTICLES OF INCORPORATION

OF

MAR 15 1 34 PM '99

LOS ALISOS HOMEOWNERS ASSOCIATION

APPR Daniel W. O.
DATE APR 3 15 99
TERM _____
DATE _____

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In compliance with the requirements of laws of the State of Arizona, the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Los Alisos Homeowners Association, hereafter called the "Association."

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 4710 E. Elwood Street, Suite 11, Phoenix, Arizona 85040.

ARTICLE III

STATUTORY AGENT

Brown & Bain, P.A., whose address is 2901 N. Central Avenue, Suite 2000, Phoenix, Arizona 85012, is hereby appointed the statutory agent of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof. The specific purposes for which it is formed and the character of affairs which the Association initially intends actually to conduct are to provide for maintenance, preservation and architectural

control of the residential lots and common area within that subdivision of real property described on the attached Exhibit "A" (the "property") 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, the Association shall have the power to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions, Reservations and Easements, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded by the declarant thereof (the "Declarant") in the Office of the County Recorder of Maricopa County, Arizona, 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;

(b) 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;

(c) 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;

(d) 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;

(e) 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 the members of each class who are eligible to vote, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations 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 the members of each class who are eligible to vote;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Membership in the Association and rights and privileges (including voting rights) appurtenant thereto shall be as set forth in the Declaration.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not more than seven (7) nor less than three (3) directors, who need not be members of the Association. The number of directors serving from time to time shall be as determined by the Board of Directors or by the members from time to time. The names and addresses of three (3) persons who are to act in the capacity of directors until the election of their successors are:

<u>Name</u>	<u>Address</u>
Barry Dluzen	4710 East Elwood Street, Suite 11 Phoenix, Arizona 85040
Kurt Rouse	4710 East Elwood Street, Suite 11 Phoenix, Arizona 85040
Karen Murray	4710 East Elwood Street, Suite 11 Phoenix, Arizona 85040

ARTICLE VII

OFFICERS

The affairs of the Corporation shall be administered by officers elected by the Board of Directors at its first meeting, and each successive meeting of the Board of Directors following the annual meeting of the members of the Association, or at other meetings called for such purpose, which officers shall serve at the pleasure of the Board of Directors. The officers shall consist of a President, Vice President, both of whom shall be members of the Board of Directors, and a Secretary and Treasurer. The initial officers of the Corporation shall be:

Barry Dluzen
Kurt Rouse
Karen Murray
Karen Murray

President
Vice President
Secretary
Treasurer

who shall serve until their successors are appointed and qualified.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members of each class who are eligible to vote. Upon the dissolution of this Association, whether resulting from voluntary action on the part of the Board of Directors, court orders, lapse of time, or otherwise, no part of the remaining assets of the Association, after the discharge of all corporate liabilities, shall inure to the private profit, benefit or advantage of any current or past member, Director or officer, but the whole of such remaining assets shall be dedicated by the Directors in cash or in kind absolutely and without possibility of reversion, as absolute gifts without return consideration, direct or indirect, in such amounts and proportions as the Directors shall determine, to a public agency or utility or to a non-profit organization to be devoted to purposes similar to those of the Association. The determination of the Directors with respect to all such distributions shall be final.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of members who hold seventy-five percent (75%) of the total authorized votes entitled to be cast by members (as set forth in the Declaration). Notwithstanding anything contained herein to the contrary, however, the Board of Directors shall have the right to amend all or any part of these Articles to correct minor errors or omissions or to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of these Articles, or by any federally or state chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the

filing, by the Board of Directors, of Articles of Amendment duly signed by or on behalf of the Association with signatures acknowledged, specifying the errors or omissions in question and the federal, state or local governmental agency or the federally or state chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. The filing of such Articles of Amendment specifying such a request by an agency or institution shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Articles of Amendment, when filed, shall be binding upon all of the property and all persons having an interest therein.

ARTICLE XI

FHA/VA APPROVAL

As long as there is a Class B membership, if VA or FHA certification is desired by Declarant or (if appropriate notice is given as set forth in Section 15.13 of the Declaration) a Designated Builder, the following actions will require the prior approval of the FHA or the VA: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles. Consent of the FHA and VA to the foregoing will not be required if the FHA and VA have elected not to approve the property for certification or if such approval has been revoked, withdrawn, canceled or suspended. Consent of the FHA or VA will be deemed to have been given if the matter has been submitted to the agency for approval and the agency has failed to respond within 30 days of such submittal.

ARTICLE XII

BYLAWS

The original Bylaws of the Association may be adopted by the incorporator.

ARTICLE XIII

LIMITATION ON LIABILITY OF DIRECTORS AND INDEMNIFICATION

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his or her fiduciary duties as a director is hereby eliminated to the extent permitted by Arizona Revised Statutes, as they may be amended from time to time. To the extent it has the power to do so under the Arizona Revised Statutes, as they may be amended from time to time, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association

as a Member, director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith or failed to act and such failure to act was in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona Revised Statutes.

ARTICLE XIV

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Los Alisos recorded as Instrument No. 99-0235257, records of Maricopa County, Arizona, as amended from time to time (the "Declaration").

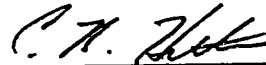
ARTICLE XV

INCORPORATOR

The name and address of the incorporator is:

Chris B. Heeter
Stardust Development, Inc.
6730 N. Scottsdale Road, Suite 230
Scottsdale, Arizona 85253

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 12th day of March, 1999.



CHRIS B. HEETER

INCORPORATOR

EXHIBIT "A"

Lots 1 through 96, inclusive, and Tracts A through G, inclusive, Los Alisos, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 486 of Maps, Page 10.