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TEMPE VILLAGES HOMEOWNERS ASSOCIATION, INC.

ARTICLES OF INCORPORATION

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ARTICLES OF INCORPORATION

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## ARTICLES OF INCORPORATION

OF

TEMPE VILLAGES HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Article 16, 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 day 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 TEMPE VILLAGES HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

## ARTICLE II

The principal office of the Association is located at 4320 East Broadway, Phoenix, Maricopa County, Arizona.

## ARTICLE III

Douglas P. Patterson, whose address is 4320 East Broadway, Phoenix, Arizona 85040, is hereby appointed the initial registered agent of this Association. He has been a resident of this State for more than three years.

## ARTICLE IV

## PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit

to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

TEMPE VILLAGES UNIT ONE a subdivision,  
Lots 1 through 84, and Tracts A, B, C,  
D, E, F and G, as recorded in Book 152  
of Maps, Page 29, according to the  
records of the Maricopa County Recorder,  
being the Northeast quarter of the  
Northeast quarter; and the East half of the  
Northwest quarter of the Northeast quarter;  
all in Section 32, Township 1 North, Range 4  
East of the Gila and Salt River Base and  
Meridian:

EXCEPT that part of the Northeast quarter  
of the Northeast quarter and the East half of  
the Northwest quarter of the Northeast quarter  
of Section 32, Township 1 North, Range 4 East  
of the Gila and Salt River Base and Meridian  
which lies Northerly and Westerly of the  
following described line:

BEGINNING at a point on the North line of  
said Section 32, which is North 89° 37' 25"  
East 1797.47 feet from the North quarter  
corner thereof;

thence South 0° 22' 35" East 120 feet;

thence South 89° 37' 25" West 1048.06 feet;

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thence South 1° 13' 00" West 435.07 feet;  
thence Southeasterly along the arc of a  
curve to the left, having a radius of  
900 feet, a distance of 1437.74 feet to the  
point of ending; and

EXCEPT that part lying within TEMPE VILLAGES  
UNIT I, according to Book 152 of Maps,  
page 29.

and to promote the health, safety and welfare of the residents  
within the above-described property and any additional thereto  
as may hereafter be brought within the jurisdiction of this  
Association for this purpose 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 and Restrictions, hereinafter called  
the "Declaration", applicable to the property and recorded  
or to be recorded in the Office of Maricopa County Recorder,  
Phoenix, 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 each class of members, 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 each class of members;

(g) 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.

#### ARTICLE V

##### MEMBERSHIP

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, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest 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.

#### ARTICLE VI

##### VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on

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the happening of either of the following events,  
whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on September 1, 1977.

## ARTICLE VII

## BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of six (6) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The following persons were elected July 24, 1974, at 4320 East Broadway, Phoenix, Arizona to serve as directors until the selection of their successors are:

Douglas E. Patterson	8351 Redfield Street	Scottsdale, AZ
Donald E. Patterson	2125 E. Concorda Drive	Tempe, AZ
Larry L. Patterson	2417 S. Clark Drive	Tempe, AZ
William R. Burk	2406 S. Clark Drive	Tempe, AZ
Andrew J. Ryan, Jr.	3225 E. Colter	Phoenix, AZ
William D. Peach	2633 S. Country Club Way	Tempe, AZ

At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect two directors for a term of three years.



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## ARTICLE VIII

## LIABILITIES

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the members of the Board of Directors at a lawfully held meeting, and approved by the Arizona Corporation Commission, to the extent required by the laws of the State of Arizona. The highest amount of indebtedness or liability direct or contingent, to which this corporation may be subject at any one time shall not exceed one hundred fifty percent (150%) of its income for the previous fiscal year, except that additional amounts may be authorized by an affirmative vote of two-thirds (2/3) of the membership. The private property of each and every officer, director and member of this corporation shall, at all times, be exempt from all debts and liabilities of the corporation.

## ARTICLE IX

## ANNEXATION OF ADDITIONAL PROPERTIES

Except as set out in Section 4, Article VI of the Declaration of Covenants, Conditions, and Restrictions, the Association may, at any time, annex additional residential properties and common areas to the Properties described in Article IV and so add to its membership under the provisions of the Article V, provided that any such annexation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

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## ARTICLE X

## MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

## ARTICLE XI

## AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of two-thirds (2/3) of the Class B membership, if any.

## ARTICLE XII

## AUTHORITY TO DEDICATE

The Association shall have power to 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 members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

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## ARTICLE XIII

## DISSOLUTION

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The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable 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 nonprofit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

## ARTICLE XIV

## DURATION

The time of the commencement of this corporation shall be the issuance of it of a Certificate of Incorporation by the Arizona Corporation Commission, and the termination thereof shall be twenty-five (25) years from and after said date with the privilege of renewal as provided by law.

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## ARTICLE XV

## MEETINGS FOR ACTIONS COVERED BY ARTICLES VIII THROUGH XIII

In order to take action under Articles VIII through XIII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than 30 days nor more than 60 days in advance of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if any, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

## ARTICLE XVI

## AMENDMENTS

Amendment of these Articles shall require the assent by vote or written consent of 75 percent (75%) of the entire membership.

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IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 30th day of July, 1974.

DOUGLAS P. PATTERSON DEVELOPMENT CORP.

BY *Douglas P. Patterson*  
Douglas P. Patterson, President  
8351 Redfield Street, Scottsdale, A

ATTEST: *Larry L. Patterson*  
Larry L. Patterson, Corporate Secretary  
2417 S. Clark Drive, Tempe, AZ

*William R. Burk*  
William R. Burk  
2406 S. Clark Drive, Tempe, AZ

*Donald E. Patterson*  
Donald E. Patterson  
2125 E. Concorda Dr., Tempe, A

*Andrew J. Ryan, Jr.*  
Andrew J. Ryan, Jr.  
3225 E. Colter, Phoenix, AZ

*William D. Peach*  
William D. Peach  
2633 S. Country Club Way, Tempe

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STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA )

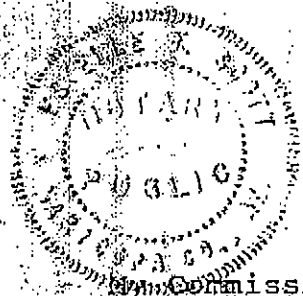
On this, the 30th day of July, 1974, before me, the undersigned Notary Public, personally appeared: DOUGLAS P. PATTERSON and LARRY L. PATTERSON, who acknowledged themselves to be the President and Corporate Secretary, respectively, of DOUGLAS P. PATTERSON DEVELOPMENT CORP., an Arizona Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official

seal.

*Letelle Scott*

Notary Public



My Commission Expires:

My Commission Expires July 5, 1977

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EXHIBIT "A"

LEGAL DESCRIPTION

OF

TEMPE VILLAGES UNIT I

Parcels 1 to 84, inclusive, and Tracts A to G, inclusive, Tempe Villages Unit I, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 152 of Maps, Page 29.

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STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA )

On this, the 30th day of July 1974, before me, the undersigned Notary Public, personally appeared; WILLIAM R. BURK, ANDREW J. RYAN, JR., DONALD E. PATTERSON, and WILLIAM D. PEACH, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.



*Estelle Scott*

Notary Public

~~My Commission Expires~~

My Commission Expires July 5, 1977