

1 ARTICLES OF INCORPORATION
2 OF
3 THE POINTE COMMUNITY ASSOCIATION

4 1. Name. The name of the corporation, which is
5 organized pursuant to the general non-profit corporation laws of
6 the State of Arizona, is THE POINTE COMMUNITY ASSOCIATION, herein
7 after called the "Association."

8 2. Incorporators. The name, residence and post office
9 address of each of the incorporators are as follows: Robert A.
10 Gosnell, 2515 East Cochise Road, Phoenix, Arizona 85028; Daniel G
11 Gosnell, 5802 North 22nd Place, Phoenix, Arizona 85016; and Craig
12 Bisch, 4426 So. Terrace, Tempe, Arizona 85282.

13 3. Directors. The number of directors of this
14 Association prior to the first annual meeting of the members
15 shall be three (3) but such number may be changed by the Bylaws
16 duly adopted. The following persons were elected to serve as
17 the initial directors at a meeting held on May 1, 1978,
18 at 2728 North 24th Street, Phoenix, Arizona: Robert A. Gosnell,
19 Daniel G. Gosnell and Craig Bisch. In the event of vacancies
20 in the board of directors prior to the first annual meeting of
21 members, such vacancies shall be filled by the remaining direc-
22 tors. The following persons shall serve as officers until their
23 successors are elected at any time by the directors:

24 R. Gael Boden -- President
25 Bruce Berres -- Vice President
26 David G. Samuels -- Secretary/Treasurer

27 4. Principal Place of Business. The principal place
28 of business of the Association shall be at 2728 North 24th
29 Street, Phoenix, Arizona 85008, but the Association may estab-
30 lish other offices within Maricopa County, Arizona, and hold
31 its meetings at such places therein as the Bylaws may provide.

32 5. Statutory Agent. L and R Service Corporation, an
33 Arizona corporation, whose address is 100 West Washington, Phoenix
34 Arizona 85003, is hereby appointed the lawful agent of
35 this Association upon whom all notices and process, including
36 summons, may be served and which, when so served, shall be
37 lawful, personal service upon the Association. The directors
38 may, at any time, appoint another agent for such purpose and
39 the filing of such other appointment shall revoke this or
40 any other previous appointment of such agent.

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JOWAR MANAGEMENT

1 6. Powers and Purpose of the Association. The
2 Association is established as a non-profit corporation and does
3 not contemplate pecuniary profit, gain or private advantage for
4 the incorporators, directors, officers or the Association. No
5 part of the net earnings, if any, of the Association shall inure
6 to the benefit of any member or private individual other than by
7 acquiring, constructing or providing management, maintenance
8 and care of Association property including areas privately
9 owned but which affect the overall appearance and structure
10 of the subdivision and other than by rebate of excess dues,
11 fees or assessments. The specific purpose for which the Associ-
12 ation is formed is to provide for maintenance, preservation and
13 architectural control of the Residences and Common Area (the
14 "Property") within The Pointe, a subdivision according to the
15 plat recorded in Book 194, page 42, records of Maricopa County,
16 Arizona. The Property is subject to the Declaration of Homeowner
17 Benefits and Assurances recorded in the office of the Maricopa
18 County Recorder in Docket 12651, pages 51 et. seq. (the "Declara-
19 tion"), which contemplates the establishment of this Association
20 and the enactment of these Articles upon the terms and conditions
21 and subject to the provisions of such Declaration.

22 The Association shall promote the health, safety and
23 welfare of the residents within the Property and in that connec-
24 tion shall:

25 (a) exercise all of the powers and privileges
and perform all of the duties and obligations of the Association
as set forth in the Declaration as the same may be amended from
time to time as therein provided, the Declaration being incorpo-
rated herein as if set forth at length;

 (b) fix, levy, collect and enforce payment by any
lawful means of all charges or assessments pursuant to the terms
of the Declaration; 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;

 (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 a majority
of each class of members and a majority of the mortgagee or mort-
gagees holding first mortgages on the Residences, mortgage,
pledge, deed in trust, or hypothecate any or all of its real or
personal property as security for money borrowed or debts in-
curred.

1 (e) dedicate, sell or transfer all or any part
2 of the Common Area to any public agency, authority, or utility
3 for such purposes and subject to such conditions as may be agreed
4 to by the board of directors;

5 (f) enter into, perform and carry out contracts
6 of any kind necessary to, in connection with, or incidental to,
7 the accomplishment of the purposes of the Association; and

8 (g) have and exercise any and all powers, rights
9 and privileges which a corporation organized under the Non-Profit
10 Corporation Law of the State of Arizona by law may now or here-
11 after have or exercise.

12 7. Membership. The Association shall be a non-stock
13 corporation owned by its members. Every person or entity who is
14 a record owner of a fee or undivided fee interest in any Residence
15 within the Property, including contract vendees, shall be a
16 member of the Association. The foregoing is not intended to
17 include persons or entities who hold an interest merely as
18 security for the performance of an obligation. Membership shall
19 be appurtenant to and may not be separated from ownership of any
20 Residence which is subject to assessment by the Association. It
21 shall be discretionary with the board of directors as to whether
22 membership certificates shall or shall not be issued.

23 8. Voting Rights. The Association shall have two
24 classes of voting membership:

25 Class A. Class A members shall be all Owners, with
26 the exception of the Developer (as defined in the Declaration),
and shall be entitled to one vote for each Residence owned until
Class B membership ceases at which time and thereafter the owner
of a Courthouse shall have one vote, the owner of a Garden Home
shall have two votes and the owner of a Single Family Residence
shall have four votes. When more than one person holds an
interest in any Residence, all such persons shall be members.
The vote for such Residence shall be exercised as they determine,
but in no event shall the votes with respect to any Residence be
divided.

27 Class B. The Class B member(s) shall be the Developer
28 (as defined in the Declaration), and shall be entitled to ten
29 (10) votes for each Residence owned. The Class B membership shall
30 cease and be converted to Class A membership on the happening of
31 either of the following events, whichever occurs earlier:

32 (a) Upon the conveyance to an Owner other than
33 Developer of the last Residence owned by Developer, or

34 (b) Fifteen years from the date of the Declaration.

1 9. Board of Directors and Officers. The affairs of
2 this Association shall be managed by a board of directors con-
3 sisting of such number as shall be fixed in the Bylaws. Director
4 shall be elected by the members at the first and each ensuing
5 annual meeting and shall serve for such term as shall be fixed in
6 the Bylaws. The board of directors shall adopt Bylaws and such
7 may be amended, suspended or repealed as set forth therein.
8 Vacancies in the board shall be filled by the remaining directors
9 until the next annual meeting of members.

6 The officers of the Association shall consist of a
7 president, vice president, secretary and treasurer, and such
8 other officers as the board of directors may from time to time
9 elect. The offices of secretary and treasurer may be held by the
10 same person. The officers shall hold office for one year, and
11 until their successors have been elected and qualified. Officers
12 and directors may succeed themselves.

10 10. Time of Commencement. The Association shall come
11 into existence on the date of the filing of these Articles with
12 the Arizona Corporation Commission and shall terminate twenty-five
13 (25) years thereafter, with the power of successive renewal as
14 provided by law. Application for renewal of corporate existence
15 shall be made in a timely manner unless no longer required by
16 law.

14 11. Dissolution. The Association may be dissolved with
15 the assent given in writing and signed by not less than seven-
16 eighths (7/8) of each class of members. Upon dissolution of the
17 Association, other than incident to a merger or consolidation,
18 the assets of the Association shall be dedicated to an appropriate
19 public agency to be used for purposes similar to those for which
20 this Association was created. In the event that such dedication
21 is refused acceptance, such assets shall be granted, conveyed and
22 assigned to any nonprofit corporation, association, trust or
23 other organization to be devoted to such similar purposes.

20 12. Exemption of Private Property. The private prop-
21 erty of each and every officer, director and member of this
22 Association shall at all times be exempt from all debts and
23 liabilities of the Association.

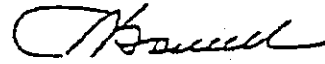
22 13. Indemnification of Officers, Directors, Employees,
23 and Agents. Subject to the further provisions hereof, the
24 Association shall indemnify any and all of its existing and
25 former directors, officers, employees and agents against all
26 expenses incurred by them and each of them, including but not
limited to legal fees, judgments, penalties, and amounts paid in
settlement or compromise, which may arise or be incurred, rendered
or levied in any legal action brought or threatened against any
of them for or on account of any action or omission alleged to

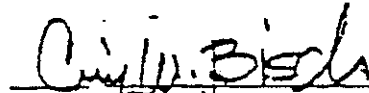
1 have been committed while acting within the scope of employment of
2 director, officer, employee or agent of the Association, whether
3 or not any settlement or compromise is approved by a court.
4 Indemnification shall be made by the Association whether the
5 legal action brought or threatened is brought by or in the right
6 of the Association or by any other person, whenever any director,
7 officer, employee or agent shall report to the president of the
8 Association or the chairman of the board of directors that he or
9 she has incurred or may incur expenses, including but not limited
10 to legal fees, judgments, penalties, and amounts paid in settle-
11 ment or compromise in a legal action brought or threatened
12 against him or her for or on account of any action or omission
13 alleged to have been committed by him or her while acting within
14 the scope of his or her employment as a director, officer,
15 employee or agent of the Association. The board of directors
16 shall, at its next regular or at a special meeting held within a
17 reasonable time thereafter, determine in good faith whether, in
18 regard to the matter involved in the action or contemplated action
19 such person acted, failed to act, or refused to act willfully or
20 with gross negligence or with fraudulent or criminal intent. If
21 the board of directors determines in good faith that such person
22 did not act, fail to act, or refuse to act willfully or with
23 gross negligence or with fraudulent or criminal intent in regard
24 to the matter involved in the action or contemplated action,
25 indemnification shall be mandatory and shall be automatically
26 extended as specified herein, provided, however, that no such
indemnification shall be available with respect to liabilities
under the Securities Act of 1933, and, provided further, that the
Association shall have the right to refuse indemnification in
any instances in which the person to whom indemnification would
otherwise have been applicable shall have unreasonably refused to
permit the Association, at its own expense and through counsel
of its own choosing, to defend him or her in the action.

18 14. Amendments. The Association reserves the right
19 to amend, alter, change or repeal any provision contained in
20 these Articles and all rights acquired by members of the Associa-
21 tion under these Articles are acquired subject to that reservation.
22 The Articles may be amended only: (i) By the affirmative vote
23 of seven-eighths (7/8) or more of the members present in person
24 or by proxy at a meeting called for that purpose, written notice
25 of which shall be given to each member and to each director at
26 least twenty (20) days prior to the meeting and, if required by law,
by publication once a week for two successive weeks prior to the
meeting, in a newspaper having a general circulation in Maricopa
County, Arizona, or (ii) by the affirmative vote of at least
seven-eighths (7/8) of the members in an election held by mail.
For any election by mail for the purpose of amending these
Articles, notice of the proposed amendment together with a copy
thereof, a ballot, a return envelope, and written statements
favoring or opposing the amendment submitted to the president by

1 any member must be mailed to each member of the Association at
2 least twenty (20) days before the ballots must be returned for
counting.

3 IN WITNESS WHEREOF, for the purpose of forming this
4 corporation under the laws of the State of Arizona, we, the
undersigned, constituting the incorporators of this Association
5 have executed these Articles of Incorporation this 1st day of
May, 1978.

6 
7 Robert A. Gosnell

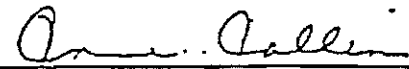
8 
9 Craig Bisch

10 
11 Daniel G. Gosnell

12 STATE OF ARIZONA)
13) ss.
14 County of Maricopa)

15 On this, the 1st day of May, 1978, before
me, the undersigned officer, personally appeared ROBERT A.
16 GOSNELL, CRAIG BISCH and DANIEL G. GOSNELL, known to me (or
17 satisfactorily proven) to be the persons whose names are sub-
scribed to the within instrument and acknowledged that they
executed the same for the purposes therein contained.

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

20 
21 Notary Public.

22 My Commission Expires:

23 My Commission Expires Sept. 30, 1980
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