

AZ. CORP COMMISSION
FOR THE STATE OF AZ.
FILED

ARTICLES OF INCORPORATION

OF

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APPR *Macielendo*
DATE APR 16 FILED

SPYGLASS ESTATES HOMEOWNERS ASSOCIATION, NO.1, INC.

TERM _____
DATE _____ TIME _____

In compliance with the requirements of A.R.S. Section 10-1001 et. seq.,

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 non-profit corporation and do hereby certify:

ARTICLE I

NAME. The name of the corporation is SPYGLASS ESTATES HOMEOWNERS ASSOCIATION, NO. 1, hereafter called the "Association."

ARTICLE II

PLACE OF BUSINESS. The principal place of business shall be in Mesa, Maricopa County, Arizona.

ARTICLE III

PURPOSE. The purpose for which the Association is organized is the transaction of any or all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time; provided, however, that such business shall conform with the tax-exempt organization requirements of Section 528 of the Internal Revenue Code of 1954 amended.

ARTICLE IV

NATURE OF BUSINESS AND POWERS. 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:

Lots 1-66 and all tracts of the Subdivision known as SPYGLASS ESTATES, according to Book 289, page 17, records of Maricopa County, Arizona.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto and subsequent phases as may hereafter be brought within the jurisdiction of this Association, and 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 at Recorder's No.

86-098104, in the Office of the Maricopa County Recorder and as the same may be amended from time to time as therein provided, said Declaration and amendments thereto being incorporated herein as if set forth in its entirety;

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

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall be approved as provided in the Declaration;

(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:

(a) Class A. Class A members shall be all Owners, with the exception of the Declarant identified in the afore-described Declaration (except Declarant shall be a Class A member upon the occurrence of either contingency in sub-section (b) below), 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class B. The Class B member 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 the

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

(1) when the total votes outstanding in the Class A membership equals the total outstanding votes in the Class B. membership; or

(2) within two (2) years from the conveyance of the first lot in the project to a Class A member.

ARTICLE VII

BOARD OF DIRECTORS. There shall be no less than four (4) nor more than nine (9) Directors, who may, but need not be members of the Association. The number of directors shall be designated in the Bylaws and may be changed by amendment thereto. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Larkin A. Palmer
1220 N. Spencer
Suite 100
Mesa, Arizona 85203

Rick W. Palmer
1220 N. Spencer
Suite B
Mesa, Arizona 85203

Mark W. Mabry
1225 N. Gilbert Rd.
Mesa, AZ 85203

C. Mike Vance
3650 E. University Dr.
Suite 1
Mesa, Arizona 85205

Larkin A. Palmer, listed above, is the INCORPORATOR of the corporation.

ARTICLE VIII

DISSOLUTION. The Association may be dissolved with the assent given in writing and signed as provided in the Declaration. 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 IX

DURATION. The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS. Amendment of these Articles shall require the assent of sixty-six and two-thirds percent (66 2/3%) of each class of voting members identified in Article VI.

ARTICLE XI

INDEMNIFICATION. The power of indemnification under the Arizona Revised Statutes shall not be denied or limited by the By-Laws; provided however, said power may be expanded.

ARTICLE XII

STATUTORY AGENT. The name and address of the Association's initial statutory agent is:

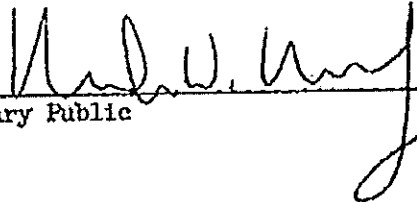
Clark Richter
30 West First Street
Mesa, Arizona 85201

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 10 day of April, 1985.


Larkin A. Palmer

STATE OF ARIZONA)
County of Maricopa) ss.

On this 11 day of April, 1985, before me, a Notary Public, personally appeared LARKIN A. PALMER, know to me to be a person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

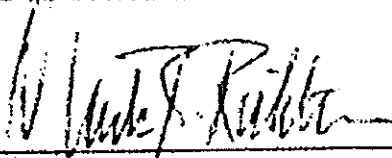


Notary Public

My Commission Expires:

5/31/86

I, Clark Richter, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed or my resignation is submitted in accordance with the Arizona Revised Statutes.



Clark Richter

4/11/86

Date