

LED ID  
# 36-1975990  
CORP #  
50-36690.00-06

ORIGINAL

A.C.C. - PROB. ...  
RECEIVED  
NOV 13 1979  
DOCUMENTS ARE AVAILABLE  
TO REVIEW BEFORE ...

ARTICLES OF INCORPORATION  
OF

HACIENDA REAL HOMEOWNERS ASSOCIATION

In compliance with the requirements of §10-451, A.R.S. as amended, the undersigned, all of whom are of full age, have this day voluntarily associated themselves for the purpose of forming a corporation not for profit and do hereby certify and adopt the following Articles of Incorporation.

ARTICLE I

The name of the Corporation is Hacienda Real Homeowners' Association hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at Phoenix, Arizona, but the Association may establish other offices within the State and hold its meetings at such places as the By-Laws may provide.

ARTICLE III

Michael L. Rubin, whose address is 2525 First Federal Building, 3003 North Central Avenue, Phoenix, Arizona 85012, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated statutory agent for the Association, for the State of Arizona, upon whom

60-  
489 / M  
199 / M

service of process may be had. This appointment may be revoked at any time by the filing of the appointment of another agent.

#### ARTICLE IV

##### PURPOSE OF THE ASSOCIATION

The purpose for which this Association is organized is the transaction of any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

#### ARTICLE V

##### THE CHARACTER OF THE BUSINESS AND THE POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific character of the business which it intends initially to conduct in Arizona is to provide for the ownership, operation, maintenance and preservation of certain property and improvements to be used in common by and for the benefit of the owners of lots included within the Declaration of Covenants, Conditions and Restrictions, and By-Laws, (the "Declaration") as the same may be amended or changed from time to time, which property is hereinafter called Hacienda Real and to promote the health, safety and welfare of the Owners within the above-described property and any additions thereto as may hereafter be brought within

the jurisdiction of this Association and for these purposes 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 the Declaration, and applicable to the property, 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, and 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 2/3 of the Owners, 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 Areas to any public agency, authority, or utility for such purposes and subject to such conditions

as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument has been signed by 2/3 of the Owners, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Common Areas, provided that any such merger, consolidation or annexation shall have the assent of 2/3 of the Owners;

(g) establish and adopt By-Laws and rules and regulations deemed necessary and expedient to carry into effect the objects and purposes heretofore recited in accordance with the laws of the State of Arizona relating to non-profit corporations;

(h) accept as part of the Corporation and exercise jurisdiction over, all property annexed thereto, and to accept all Owners thereof (including Declarant) as Members of the Association;

(i) accept, and exercise jurisdiction over, (1) all Common Areas which may be conveyed, leased or otherwise transferred to it by Declarant, (2) all Common Areas which may be annexed to the Corporation, and (3) all easements for operation and maintenance purposes which may be conveyed to it by Declarant or any third party over any and all Common Areas within or affecting the property

covered by the Declaration;

(j) operate and maintain, or provide for the operation and maintenance of (1) all Common Areas which may be conveyed, leased or otherwise transferred to it by Declarant, (2) all Common Areas which may be annexed to the Corporation, and (3) all Common Areas within the property covered by the Declaration in which it owns an easement for operation and maintenance purposes; and to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair;

(k) enter upon and maintain, or provide for the maintenance of, any structure or improvement on the property which is not maintained by the Owner responsible therefor in accordance with the requirements of the Declaration;

(l) pay all property taxes and all other taxes and assessments levied upon any real or personal property conveyed, leased or otherwise transferred to the Association, to the extent not assessed to the Owners thereof, which such taxes and assessments may be contested or compromised by the Association; provided, however, that such taxes are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes;

(m) in the sole discretion of the Board, contract for or provide (to the extent adequate services are not provided by a public authority) policy and fire protection, refuse disposal, security patrol, street light maintenance and such other services, facilities and maintenance of a public or quasi-public nature as may be deemed necessary or desirable for the effectuation of the purposes of the Declaration, and in connection with the provision of such facilities and services, the Association may contract with, assign, or delegate its duties to any public authority, governmental body or specific district;

(n) obtain and maintain in force such policies of insurance including but not limited to, indemnity bonds, as the Board shall deem necessary or expedient to carry out the Association functions as set forth in the Declaration, the Articles and By-Laws;

(o) make, establish, promulgate, amend and repeal rules as provided for in said Declaration;

(p) in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, in the discretion of the Board, commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of said

Declaration. When in the discretion of the Board it is determined that an Owner or Member has failed, refused, or neglected to comply with any provision contained in the Declaration, the Association may remedy the non-compliance, and in such event, the Owner or Member shall reimburse the Association for all expenses incurred in connection therewith upon demand, including, as such expenses, and without limitation thereof, all reasonable attorney and accountant fees, court costs, investigation, and collection fees;

(q) employ the services of any person, corporation, or other entity, as Manager, and other employees, including but not limited to, one or more secretaries, engineers, consultants, and attorneys, to manage and conduct the business of the Association, and to the extent not inconsistent with the laws of the State of Arizona, and upon such conditions as are otherwise deemed advisable by the Board to delegate to any of said persons any of its rights, powers and duties;

(r) establish whatever committees the Board may deem necessary, either temporary or permanent, to carry out the intent and purposes of the Declaration, the Articles and the By-Laws;

(s) grant to any Owner or Member a variance, waiver, or modification of and from any of the provisions

of the Declaration, the Articles, or the By-Laws, upon unanimous approval of the Board, whenever it is determined by the Board that such an approval would be in the best interests of the Association; provided that if this provision should be construed so as to invalidate the Declaration, this provision shall be deemed severable herefrom, and in such event, these Articles shall be interpreted and construed as if this provision were deleted herefrom;

(t) upon such terms and conditions as the Board may determine, issue an estoppel certificate binding the Association to the position or determination stated therein, and anyone interested therein shall be entitled to rely on the matters stated therein;

(u) have and 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;

(v) the designation of any object, purpose or activity shall not be construed to be a limitation or qualification, or in any manner to limit or restrict the objects, purposes or activities of the corporation, consistent with the lawful objects of a non-profit corporation;

(w) no part of the net earnings of the Association shall inure to the benefit of, or be distributed to,



its Owners, Board of Directors, officers and other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth in Article IV hereof. No part of the activities of the Association shall be the carrying on of propaganda or otherwise intending to influence legislation and the Association shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office;

(x) notwithstanding any other provisions in these Articles, the Association shall not carry on any other activity not permitted to be carried on: (i) by a corporation exempt from federal income tax law under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law);

(y) upon the dissolution of the Association, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the Associa-

tion, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner or to such organization or organizations organized and operated exclusively for the charitable, educational, religious or scientific purposes as shall at that time qualify as an exempt organization or organizations under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law) as the Board of Directors shall determine. Any assets not disposed of shall be disposed of by the Superior Court of the State of Arizona in and for the County of Maricopa exclusively for the purposes or to such organization or organizations (which are organized and operated exclusively for such purposes) as said court shall determine.

#### ARTICLE VI

##### MEMBERSHIP

Every person or entity who is a record Owner of any lot shall be a Member of the Association, subject to and in accordance with the provisions of the Declaration. 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.

ARTICLE VII

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 each Member shall be entitled to one vote for each lot owned in Hacienda Real.

Class B. The Class B Members shall be the Declarant (as defined in the Declaration) and shall be entitled to three (3) times the number of votes as allocated for Class A memberships; provided, however, that the Class B memberships shall cease and be converted to Class A membership upon the happening of any of the following events:

(a) when the total votes outstanding in the Class A memberships equal the total votes outstanding in the Class B memberships, plus one (1), or

(b) June 1, 1982, or

(c) at such time as Declarant, by a recorded declaration, expressly and voluntarily, relinquishes such membership.

In the event any Owner shall be in arrears in the payment of any amounts due under any of the provisions of any recorded Declaration, or shall be in default in the performance of or in breach of any of the terms of any such

recorded Declaration, said Owner's right to vote as a member of the Association and right to use of the Common Areas may be suspended and shall remain suspended until all payments are brought current and all defaults and breaches remedied.

#### ARTICLE VIII

##### BOARD OF DIRECTORS

The affairs of the corporation shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint. Neither the Directors nor the officers need be Members of the corporation, but at least one such Director shall be an Arizona resident. The number of Directors shall not be fewer than two (2) nor more than seven (7). The number of Directors may be changed by amendment of the By-Laws of the Association. The names of the Incorporators of the Corporation and the first Directors of the Corporation are as follows, the election for Directors having been held at 2525 First Federal Building, 3003 North Central Avenue, Phoenix, Arizona 85012, on Friday, November 9, 1979, at 10:00 o'clock a.m;

Claire Bymoen                      901 Gleneagles Drive  
Phoenix, AZ 85021

Tim Hurst                              1819 North 79th Place  
Scottsdale, AZ 85257

The election of the Members of the Board of Directors is hereby ratified and the Directors shall serve until the

first Annual Meeting of the Members and until their successors have been elected and qualified.

Directors shall be elected by the Members of the Association at the annual meeting thereof to be held on the 9th day of November, 1980. Directors shall hold office for the period or periods of time set forth in the Declaration or By-Laws, or until their successors are elected and qualified. Any vacancy occurring on the Board of Directors by reason of death, resignation, or disqualification of any such Director shall be filled by the remaining Directors, such replacement Director to serve the unexpired portion of the prior Director's term. The Board is expressly authorized to adopt, amend, and rescind By-Laws for the corporation, by a majority vote of the Members of the Board, at a regular or special meeting called therefor.

#### 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

AMENDMENTS

Amendment of these Articles shall require the assent of sixty-six and two-thirds (66 2/3%) percent of the votes entitled to be cast by Members of the Association.

ARTICLE XI

EXEMPTION

The private property of the Members, Directors and Officers of this corporation shall be forever exempt from its debt and obligations.

ARTICLE XII

ASSESSMENT

For the purpose of providing necessary funds for the carrying out of the purposes of this corporation as aforesaid and the necessary operating expenses of this corporation, there shall be levied against each lot and each owner, an annual assessment and other assessments in the amounts and by the procedures set forth in the Declaration, which said assessments shall be due, payable and enforceable in the manner set forth in said Declaration.

ARTICLE XIII

INDEMNIFICATION

Subject to the further provisions hereof, the corporation shall indemnify any and all of its directors, officers, former directors and former officers, against all expense incurred by them and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director or officer of the corporation. Whenever any director, officer, former director or officer shall report to the President of the corporation or the Chairman of the Board of Directors that he has incurred or may incur expenses, including but not limited to legal fees, judgments and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the corporation, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act,

or refused to act wilfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, failed to act, or refused to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to matters involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, and as provided in A.R.S. §10-198, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided, further that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him in the action.

#### ARTICLE XIV


##### FISCAL DATE

The fiscal year of the Association shall begin on January 1, 1980 and end on December 31st of each year thereafter.

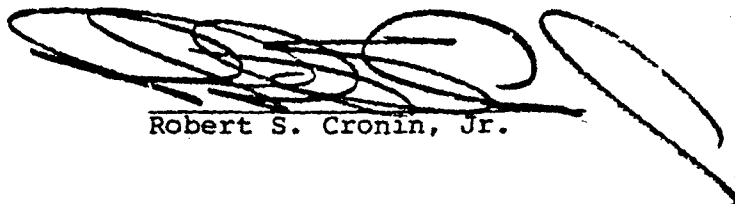
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona,



we, the undersigned, constituting the Incorporators of this Association, have executed these Articles of Incorporation this 13th day of November, 1979.



Michael L. Rubin

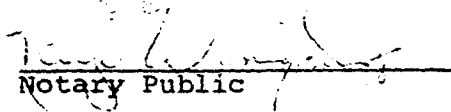


Robert S. Cronin, Jr.

STATE OF ARIZONA    )  
                                  ) ss.  
County of Maricopa )

On this the 13th day of November, 1979, personally appeared before me, the undersigned Notary Public, Michael L. Rubin and Robert S. Cronin, Jr., who executed the foregoing instrument and acknowledged that they executed same for the purpose therein contained.

In witness whereof, I hereunto set my hand and official seal.

  
Notary Public

My commission expires:  
June 9, 1983

A.C.C. - INCORPORATING DIV.  
RECEIVED  
NOV 13 1979  
DOCUMENTS ARE SUBJECT  
TO REVIEW BEFORE FILING

*non profit*

126609

*f.d. 12-31*

*R.R.*

ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION

FILED

NOV 15 1979

At 11:30 A.M. at request of  
Rubin, Rubin & Cronin, P.A.  
Address 3003 No. Central, Ste. 2525  
Phoenix, Az. 85012  
By Jeanne Driggers  
SECRETARY  
G.C. Anderson, Jr.

R. # 106838

To: Arizona Corporation Commission  
Incorporating Division

Re: Hacienda Real Homeowners Association

I, Michael L. Rubin, having been designated to act as statutory agent, hereby consent to act in that capacity until renewal or resignation, if submitted, in accordance with the Arizona Revised Statutes.

  
\_\_\_\_\_  
Michael L. Rubin