

ARTICLES OF INCORPORATION
OF

THE VILLAS AT RANCHO SIN VACAS HOMEOWNERS ASSOCIATION

Dec 4 1 13 PM '97
M. Baines
DATE 12-4-97
TERM
DATE 0825356-4

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Arizona, does hereby adopt the following Articles of Incorporation.

1. Name. The name of this corporation (hereinafter "Association") is The Villas at Ranch Sin Vacas Homeowners Association.

2. Duration. The period of duration of the Association shall be perpetual.

3. Principal Place of Business. The initial known place of business and principal office for the transaction of business of the Association is located at 5950 N. 78th St., Ste. 109, Scottsdale, Arizona 85250.

4. Statutory Agent. The name and address of the Association's initial Statutory Agent, a bona fide resident of the State of Arizona for more than three years, are:

Robert A. Lyles
5950 N. 78th St., Ste. 109
Scottsdale, Arizona 85250

5. Nonprofit corporation. This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

6. Purpose and Powers. This Association does not contemplate the distribution of gains, profits or dividends to its Members. The specific primary purpose for which it is formed are to provide for the management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Areas of Association Responsibility within that certain Property located in Pima County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions, Restrictions and Easements for The Villas at Rancho Sin Vacas which was recorded on the 25th day of November, 1997, as Docket No. 10679, page 851 et seq., in the Official Records of the Pima County, Arizona Recorder, and to promote the health, safety and welfare of all of the residents within the above-described Property and the jurisdiction of this Association for these purposes, all according to the Declaration.

In furtherance of said purposes, this Association shall have the powers to:

a. Perform all of the duties and obligations of the Association as set forth in the Declaration;

b. Fix, levy, collect and enforce Assessments, late charges, monetary penalties, fines, fees or other charges as set forth in the Declaration;

c. Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes or governmental charges levied or imposed against any property owned by the Association;

d. 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, further subject to the provisions of the Declaration;

e. Grant easements over Areas of Association Responsibility (other than on Lots) to any public agency, authority or utility company, further subject to the provisions of the Declaration;

f. Convey the Common Area or subject the same to a mortgage or other security interest, further subject to the provisions of the Declaration;

g. Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose;

h. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Nonprofit Corporation Act (A.R.S. §10-2301 et seq.) by law may now or hereafter have or exercise.

7. Membership Voting Rights. The number and qualifications of Members of the Association, the property, voting and other rights and privileges of Members, their liability for Assessments and the method of collection thereof shall be as set forth in the Declaration and the Bylaws.

8. Board of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) Directors (the exact number of which shall be fixed in the Bylaws, or amendments thereof), duly adopted by the Members or by the Board of Directors). The number of Directors may be changed by amendment to the Bylaws. The initial Board of Directors, the members of which shall serve until their successors are elected or appointed according to the Bylaws, are as follows:

James G. Coyne
5950 N. Scottsdale Rd., Ste. 109
Scottsdale, Arizona 85250

Robert A. Lyles
5950 N. Scottsdale Rd., Ste. 109
Scottsdale, Arizona 85250

Patricia A. Watts
5950 N. Scottsdale Rd., Ste. 109
Scottsdale, Arizona 85250

9. Elimination of Director Liability. As set forth in the Arizona Nonprofit Corporation Act, each Director shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or omission resulting in damage or injury if said Director was acting in good faith and within the scope of his official capacity (which is any decision, act or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized), unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Director. Without limiting the foregoing, it is the intention of this paragraph to provide for the Directors the full benefits and immunities created by or available under the provisions of A.R.S. §§10-2317 and 10-2342(A)(8), as the same may be expanded or modified in the future.

10. Dissolution. The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the authorized votes in each class of Membership. Upon the dissolution, liquidation or winding up of the Association (other than incident to a merger or consolidation), the Association shall pay or adequately provide for the debts and obligations of the Association and otherwise comply with the Arizona Nonprofit Corporation Act, including, without limitation, §10-2422 thereof. Upon such dissolution, liquidation or winding up, 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 or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose, or if such action, is not feasible, then any assets remaining after providing for the debts and obligations of the Association, shall be distributed to the Members in accordance with their respective share of the Common Expenses.

11. Amendments. These Articles may be amended by the vote or written assent of Members representing at least sixty-seven percent (67%) of the total votes in each class of Membership; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. The Declarant, without the consent of other Members, may amend these Articles to conform to the requirements and guidelines of the any governmental or quasi-governmental entity whose approval of the Project Documents is required by law or requested by Declarant or the Association.

12. Incorporators. The incorporator of the Association and his name and address are:

Robert A. Lyles
5950 N. 78th St., Ste. 109
Scottsdale, Arizona 85250

13. Definitions. All initially capitalized terms used herein without definition shall have the meanings set forth for such terms in the Declaration.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation this 3 day of December, 1997.

By



Robert A. Lyles

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