

AMENDED & RESTATED  
ARTICLES OF INCORPORATION  
OF  
SCOTTSDALE RANCH COMMUNITY ASSOCIATION

04/15/04

Pursuant to that certain Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, dated December 31, 1980, recorded December 31, 1980, in Docket 14929, page 294 in the office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of Arizona Revised Statutes §10-3101 et seq. (the "Act"), the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt the following Articles of Incorporation:

ARTICLE I

DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Scottsdale Ranch" as used herein to describe a place shall refer to the real property described in the Declaration as Scottsdale Ranch.

ARTICLE II

NAME

The name of the corporation is THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION, hereafter called the "Association".

ARTICLE III

PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall be located at 10585 N. 100<sup>th</sup> Street, Scottsdale, Arizona 85258. Thereafter, a statement setting forth any change to the known and principal place of business shall be filed as provided under the Act.

ARTICLE IV

STATUTORY AGENT

Kathe M. Barnes, a bona fide resident of the State of Arizona for the last three (3) years, whose address is 10585 N. 100<sup>th</sup> Street, Scottsdale, Arizona 85258, is hereby appointed the statutory agent of the Association as of the filing of these Articles of Incorporation.

ARTICLE V

PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes. This Association does not contemplate pecuniary gain or profit to the Members thereof. The specific purposes for which the Association is formed are:

- (a) To encourage and facilitate social and recreational activities for the Owners, Lessees and Residents of Scottsdale Ranch;
- (b) To provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration, of Scottsdale Ranch; and

Section 2. Powers. For the purposes set forth in Section 1 above, and subject to any limitations set forth in the Declaration, the Association shall have the power 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, 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 of, 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, guarantee payment or performance of obligations, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred in the name of the Association;

(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 Association. Unless otherwise required by zoning stipulations or agreements with the City of Scottsdale effective prior to the date hereof or specified on a recorded subdivision plat, no such dedication or transfer shall be effective unless an instrument has been signed by the Owners of two-thirds (2/3) of the Memberships in each class of Members and recorded agreeing to such dedication, sale or transfer, or such dedication or transfer is to public agencies, authorities or utilities in accordance with the Declaration;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and common Area; provided, however, that any such merger, consolidation or annexation shall have the assent of the Owners of two-thirds (2/3) of the Memberships in each class of Members;

(g) Establish and adopt Bylaws, the Scottsdale Ranch Rules and other rules and regulations deemed necessary and expedient to carry into effect the objects and purposes of the Association; and

(h) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Act may by law now or hereafter have or exercise.

Section 3. Limitation on Purposes. Notwithstanding anything herein contained to the contrary, the Association shall make no gift, donation or contribution to a particular political party or political candidate. However, the Association may take action on behalf of its Members through the Board of Directors that the Board believes to be in the best interests of the Association including supporting or opposing legislation affecting or impacting the Association or its Members. No part of the net earnings of the Association shall inure to the benefit of any member or individual (other than by promoting social and recreational activities for Members, by acquiring, constructing, or providing management, maintenance, and care of the Common Area, or by a rebate of excess membership dues, fees or Assessments).

Section 4. Character of Affairs. The character of affairs which the Association intends to conduct in Arizona is to carry out the duties and responsibilities of the Association as set forth in the Declaration, including the providing of an organizational structure for the Members to engage in social and recreational activities, to provide for the operation and maintenance of Common Areas, to levy and collect assessments for the expenses of the Association, and to exert architectural control over the construction and maintenance of improvements on Scottsdale Ranch.

## ARTICLE VI

## MEMBERSHIP AND VOTING

Section 1. Owners of Lots and Parcels. Every Owner of a Lot or Parcel, which is subject to assessment, shall be a Member of the Association. Each such Owner shall be entitled to the following number of memberships:

(a) One (1) Membership for each Lot owned by the Member;

(b) One (1) Membership for each acre (43,560 square feet) or fraction thereof in each Parcel owned by the Member, except any Parcels which have a land use classification of Single Family Residential or Cluster Residential;

(c) One (1) Membership for each completed Rental Apartment owned by the member and not leased to a Lessee, but which has been previously leased to a Lessee;

(d) In the case of the Owner of a Parcel with a land use classification of Single Family Residential or Cluster Residential, one membership for each Dwelling Unit permitted upon the Parcel under the Master Development Plan then in effect for Scottsdale Ranch. If a subdivision plat or other instrument creating Lots is recorded covering all or part of the area within the Parcel, the Parcel shall be reduced in size by the area so platted and the number of memberships held by the Owner of the parcel, shall be reduced by the number of Lots in the recorded subdivision plat or other instrument. All memberships attributable to the Parcel shall cease when the land area ceases to be a Parcel because all of the area in the Parcel has been platted or otherwise dedicated to the public and no unplatted Single Family Residential or Cluster Residential area remains within the Parcel.

Each such Membership shall be appurtenant to and may not be separated from ownership of the Lot or Parcel to which the Membership is attributable. There shall be only one (1) Membership for each Lot, for each Dwelling Unit, for each Rental Apartment and for each acre (or fraction thereof) in a parcel, which Memberships shall be shared by any joint owners of, or owners of undivided interests in, a Lot or Parcel.

Section 2. Lessees. Every Lessee of a Rental Apartment during the period the Lessee has the right to occupy the Rental Apartment shall be a Member of the Association. Each Lessee shall have one (1) Membership for each Rental Apartment leased by the Lessee, but there shall be only one (1) membership for each Rental Apartment. Each Membership shall be appurtenant to and may not be separated from the Lessee's Lease. Upon termination of a Lessee's Lease, the Membership held by the Lessee shall vest in the Owner of the Rental Apartment until Membership is transferred to a new lessee under this Section.

Section 3. Voting. Each Owner and Lessee shall be entitled to one (1) vote for each Membership held by the Owner or Lessee, subject to the authority of the

Board to suspend the voting rights of the Owner or Lessee for violations of the Declaration in accordance with the provisions hereof and the Declaration.

Section 4. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a Membership is owned by more than one (1) person or entity and such owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed for all purposes that such Member was acting with authority and consent of all other owners of the same Membership unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast for a particular Membership, none of the said votes shall be counted and all said votes shall be deemed void.

Section 5. Voting for Board Members. In any election of the members of the Board, every owner of a Membership entitled to vote at such an election shall have the number of votes for each Membership equal to the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

Section 6. Membership Rights. Each Member shall have the rights, duties and obligations set forth in the Declaration and such other rights, duties and obligations as are set forth in the Articles and Bylaws, as the same may be amended from time to time.

Section 7. Transfer of Membership. The rights and obligations of the owner of a Membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel or upon the commencement and termination of the rights to occupancy under a Lease, as applicable, and then only to the transferee of ownership to the Lot or parcel, a new Lessee, or the owner of the Apartment Development. A transfer of Ownership to a Lot or parcel may be affected by Deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot or Parcel shall operate to transfer the Membership (s) appurtenant to said Lot or Parcel to the new Owner thereof.

## ARTICLE VII

### BOARD OF DIRECTORS

The control and management of the affair of this Association shall be vested in a Board of Directors of not less than five (5) nor more than nine (9) directors.

The names and the addresses of the persons who are to serve as directors as of the adoption of these Articles of Incorporation are:

<u>Names</u>	<u>Addresses</u>
Ken Miceli	9216 N. 106 <sup>th</sup> Way Scottsdale, Arizona 85259
Nancy Spavale	10641 E. San Salvador Drive Scottsdale, AZ 85258
Marvin Covinsky	10593 E. Cinnabar Avenue Scottsdale, AZ 85258
George Lores	10905 E. Tierra Drive Scottsdale, AZ 85258
Tom Sinyard	10235 N. 99 <sup>th</sup> St. Scottsdale, Arizona 85258
Robert Bishop	9175 N. 106 <sup>th</sup> Place Scottsdale, Arizona 85258
Larry Kush	9060 N. 106 <sup>th</sup> Place, Scottsdale, Arizona 85258

## ARTICLE VIII

### AMENDMENTS

Section 1. Amendments. The Articles may be amended by the affirmative vote of seventy-five (75) percent of the Members casting votes at a duly called meeting of the members.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Articles to the contrary notwithstanding, the Board shall have the right to all or any part of the Articles to such an extent and with such language as may be requested by the Federal Housing Administration (“FHA”) or the Veterans Administration (“VA”) and to other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency’s approval of the Articles or by any Federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Arizona Law. If any amendment requested pursuant to the provisions of this Section deletes, diminishes

or alters such control, the Board shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions.

## ARTICLE IX

### DURATION AND DISSOLUTION

The association shall exist so long as the Declaration is in effect, which shall be for an initial period of twenty (20) years from December 31, 1980, and for successive extension periods of ten (10) years each unless the Declaration is terminated, and the Association dissolved, by the affirmative vote of Members casting not less than ninety percent (90%) of the total votes to be cast at an election held for such purpose within six (6) months prior to the expiration of the initial effective period or any ten (10) year extension period. The Declaration may be terminated, and the Association dissolved, at any time if ninety percent (90%) of the votes cast in favor of termination and dissolution at an election held for such purpose. Anything in the foregoing to the contrary notwithstanding, no vote to terminate the Declaration and this Association shall be effective unless and until written consent to such termination has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from the holders Recorded first mortgages or deeds of trust to which the Assessment Lien is subordinate pursuant to Article VIII, Section 3, of the Declaration on seventy-five percent (75%) of the Lots and Parcels upon which there are such Recorded first mortgages and deeds of trust. 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

### INCORPORATOR

The name and address of the incorporator was as follows:

<u>Name</u>	<u>Address</u>
James M. Kilday	5251 N. 16 <sup>th</sup> Street, Suite 900 Phoenix, AZ 85016

## ARTICLE XI

### INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

## ARTICLE XII

### INDEMNIFICATION

The Directors, Officers and employees of the Association are compelled to carry out the corporate responsibilities of the Association to the best of their knowledge and ability, within the law, and to the expectations of reasonable men, as intended by these Articles and the Declaration. The Association shall indemnify every present and former Director Officer and employee to the maximum extent authorized by law, against expenses incurred by them, including, without limitation to, legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting in the scope of his or her employment as a Director, Officer, or employee of the Association, provided that such person did not act, fail to act, or refuse to act willfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further 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 instance in which the person to whom indemnification would have otherwise been applicable shall have unreasonably refused to permit the Association, at it's own expense and through counsel of it's own choosing, to defend him or her in any such legal action. Such indemnification shall be to the maximum extent allowed by law, provided that the procedural steps have been followed as required by all applicable laws pertaining to indemnification. Any such present or former Director, Officer, or employee shall report to the President of the Association or the Chairman of the Board of Directors that he or she has incurred or may incur any such expenses.

Dated this 15<sup>th</sup> day of April, 2004.

### CERTIFICATION

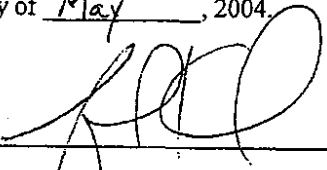
I, the undersigned, do hereby certify:

That I am the duly elected and acting President of THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION, an Arizona non-profit corporation, and,



That the foregoing Articles of Incorporation constitute the amended Articles of said Association, as adopted by a vote of the members thereof, on the 15<sup>th</sup> day of April, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 6<sup>th</sup> day of May, 2004.

By   
\_\_\_\_\_  
Larry Kush President  
[name] [title]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named Corporation effective this 15<sup>th</sup> day of April, 2004.

  
Kathe M. Barnes  
Kathe M. Barnes

W. CORP. COMMISSION  
FILED

MAY 17 2004

Mary Baines

5/17/04  
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ARTICLES OF AMENDMENT

OF

THE SCOTTSDALE RANCH COMMUNITY ASSOCIATION

1. The name of the corporation is The Scottsdale Ranch Community Association.
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. The amendment was adopted the 15<sup>th</sup> day of April, 2004.
4. The amendment was duly adopted by act of \_\_\_\_\_ of the members board of directors.  
And with approval, in writing, by the person or persons so specified in the corporation's Articles of Incorporation or bylaws.

DATED as of this 6<sup>th</sup> day of May, 2004.

THE SCOTTSDALE RANCH COMMUNITY  
ASSOCIATION

By \_\_\_\_\_

Its: \_\_\_\_\_

[name]

President

[title]