

ARTICLES OF INCORPORATION

OF

LAS CAMPANAS COMMUNITY ASSOCIATION

RECEIVED

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ARIZONA CORP. COMMISSION

Pursuant to that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements, recorded March 16, 1995, in Docket 10001, page 1844 in the office of the County Recorder of Pima County, Arizona, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of Arizona Revised Statutes §10-1001 et seq. (the "Act"), the undersigned have this day voluntarily associated themselves together for the purpose of forming a non-profit 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 that certain Declaration. "Declarant" as used herein shall refer to WLC GREEN VALLEY LIMITED PARTNERSHIP, an Arizona limited partnership, and the successors and assigns of Declarant's right and powers under the Declaration. "LAS CAMPANAS," or the "Property", as used herein to describe a place, shall refer to the real property described in the Declaration as the Property.

ARTICLE II.

NAME

The name of the corporation is LAS CAMPANAS COMMUNITY ASSOCIATION, hereinafter called the "Association".

ARTICLE III.

PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall initially be located at 7001 North Scottsdale Road, Scottsdale, Arizona, 85253. Thereafter it is

contemplated that the principal and known place of business of the Association will be located in Las Campanas and a statement setting forth such change of known and principal place of business shall be filed as provided under the Act.

#### ARTICLE IV.

##### STATUTORY AGENT

Douglas R. Vande Krol, a bona fide resident of the State of Arizona for the last three (3) years, whose address is 7333 East Doubletree Ranch Road, Suite 200, Scottsdale, Arizona, 85258, is hereby appointed the initial statutory agent of the Association.

#### ARTICLE V.

##### PURPOSES, POWERS AND CHARACTER OF AFFAIRS

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

- (a) To encourage and facilitate social and recreational activities for the Owners, Lessees and Residents of Las Campanas;
- (b) To provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration, of the Property; and
- (c) To promote the health, safety and welfare of the Owners, Lessees and Residents within Las Campanas and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

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;

(e) Dedicate, sell or transfer all or any part of the Common Area to Green Valley Recreation, Inc., its successors or assignees, or a similar entity which will operate a Recreational Facility, and/or 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 or allowed by the Declaration; zoning stipulations or agreements with Pima County 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 approved 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 non-profit 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) Enter into contracts with others, including Declarant and Declarant's affiliated companies, for services which may include, but are not limited to, the operation and maintenance of the Recreational Facility, for water, refuse, utilities and maintenance for the benefit of the Members of the Association and for Common Areas and such contracts shall not be invalidated by the fact that one or more directors or officers of the Association are employed by or otherwise affiliated with Declarant or Declarant's affiliates.

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

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

Section 3. Limitation on Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda

or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. 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. This character of affairs which the Association initially intends actually 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 (including the Recreational Facility), to levy and collect assessments for the expenses of the Association, to ensure compliance with the Fair Housing Act, and to exert architectural control over the construction and maintenance of improvements in Las Campanas.

## 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) Six (6) Memberships for each acre (43,560 square feet) or fraction thereof in each Parcel owned by a Member, except any Parcels which have a land use classification of Single Family Residential, Residential Cluster, Apartment Development or Residential Condominium Development;
- (c) One (1) Membership for each completed Rental Apartment owned by a Member;
- (d) In the case of (i) the Owner of a Parcel designated for use as an Apartment Development but as to which construction has not been completed, or (ii) the Owner of a Parcel designated for Condominium Development but as to which a Condominium Declaration has not been Recorded, one Membership for each Dwelling Unit permitted under the Master Assessment Schedule, the number of such Dwelling Units to be determined on the assumption that the number of Dwelling Units within a density classification under the Master Assessment Schedule or Tract Declaration (as applicable) will be spread evenly over all land within the density classification. If a site plan for the Parcel is subsequently approved by the Design Review Committee (and, if necessary,

Pima County) for a number of Dwelling Units different than the number of Dwelling Units assumed under the Master Assessment Schedule or Tract Declaration (as applicable), the number of Memberships shall be adjusted accordingly and, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the site plan; and

(e) In the case of the Ownership of a Parcel with a land use classification of Single Family Residential or Residential Cluster, one Membership for each Dwelling Unit permitted upon the Parcel under the Master Assessment Schedule or Tract Declaration (as applicable). If a site plan for the Parcel is subsequently approved by the Design Review Committee (and, if necessary, Pima County) for a number of Dwelling Units different than the number of Dwelling Units assumed under the Master Assessment Schedule or Tract Declaration (as applicable), the number of Memberships shall be adjusted accordingly and, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the site plan. 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, as Owner of the Parcel, shall be changed by a number equal to the number of Lots remaining in the Parcel under the correlating section of the Master Assessment Schedule. 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 Residential Cluster 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 Membership for each Lot, for each Apartment Unit and six for each acre (or fraction thereof) in a Non-Residential Parcel or commercial Parcel, which Memberships shall be shared by any joint Owners of, or Owners of undivided interests.

Section 2. Declarant. Declarant shall be a Member of the Association for so long as it holds a Class A or Class B Membership.

Section 3. Voting. The Association shall have two classes of voting Memberships:

(a) Class A. Class A Membership shall be all Memberships except Declarant (until the conversion of Declarant's Class B Membership to Class A Membership as provided below). Subject to the authority of the Board to suspend a Membership's voting rights in accordance with the provisions hereof, a Class A Membership shall have the number of votes provided in Article VI, Section 1.

(b) Class B. The Class B Membership shall be held by Declarant. The Class B Member shall be deemed, with respect to Parcels or Lots owned by the Declarant to be

entitled to the number of votes equal to three times the number of votes which would be attributable to the Lots and Parcels if issued to a Class A member, as determined pursuant to Article VI, Section 1 above. The Class B Membership automatically shall cease and be converted to a Class A Membership upon the happening of the first of the following events:

(1) at the first annual meeting after the date upon which the total votes of the Class A Memberships entitled to vote equals the total votes of the Class B Memberships;

(2) the date which is 12 years after the date this Declaration is Recorded; or

(3) the date on which Declarant Records a written notice electing to convert the Class B Membership to Class A Membership.

Section 4. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes until the Board receives written notice of such change together with satisfactory evidence thereof. The vote for each Membership must be cast as a single unit. Fractional votes shall not be allowed. In the event that a Membership is owned by more than one Person and such Owners are unable to agree as to how their vote or votes shall be cast, they shall not be entitled to vote on the matter in question. If any Member casts a vote or votes representing a certain Lot, Parcel or Apartment Unit, the Member will thereafter be conclusively presumed to be acting with the authority and consent of all other owners of the same Membership unless objection thereto is made to the Board, in writing, at or prior to the time the vote or votes are cast. In the event more than one Person casts or attempts to cast a vote for a particular Membership, all such votes shall be deemed void.

Section 5. Cumulative 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, except that the Class B Member shall have the number of votes designated in Section 6.3.2 above times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one candidate or to divide such votes among any number of the candidates.- 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. Members Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, a Tract Declaration and any Association Rules and Design Guidelines adopted pursuant thereto, as the same may be amended from time to time.

Section 7. Transfer of Membership. Except as otherwise provided in this Declaration, the rights, duties and obligations of a Class A Membership in the Association and/or a Recreational Facility Membership cannot and shall not be assigned, transferred, pledged,

conveyed or alienated in any way, except upon transfer or ownership of such Class A Member's Lot or Parcel. Such transfer may be effected by deed, intestate succession, testamentary disposition, foreclosure or other legal process authorized under Arizona law. Any attempt to make a non-approved form of transfer shall be void. Any transfer of ownership in a Lot or Parcel shall operate to transfer the Membership(s) appurtenant thereto to the new Owner.

Section 8. Use of Membership; Designees. Subject to the Association Rules, all of the owners of a Membership may designate one or more non-Members (herein referred to as a "Designee") to exercise all of the rights of the Member under this Declaration except the Member's voting rights, but such designation shall not relieve the Member of any liabilities or obligations as an Owner or with respect to the Membership. So long as such designation is in effect, the Member shall be permitted to exercise only his voting rights and the Board may, among other things, in its discretion, set maximum or minimum periods for which such designation may be in effect and limit the number of persons who may be so designated by any Member at any one time. The Designee need not be a Resident and need not live at Las Campanas unless the Board adopts rules requiring such residence.

## ARTICLE VII.

### BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than three (3) nor more than nine (9) directors. The names and addresses of other persons who are to serve as directors beginning with the incorporation of the Association until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
David J. Williamson	7001 North Scottsdale Road Scottsdale, Arizona 85253
Lowell J. Williamson	7001 North Scottsdale Road Scottsdale, Arizona 85253
Steve Powell	4185 Manolito Drive Green Valley, Arizona 85614

## ARTICLE VIII.

### AMENDMENTS

Section 1. Amendments. The Articles may be amended by the affirmative vote of ninety (90) percent of the votes of Members of the Association cast at a duly called meeting of the Members; provided, however, after twenty (20) years from the date of recordation of the Declaration, the affirmative vote of only seventy-five percent (75%) of the Members casting votes at duly called meeting of the Members shall be necessary to adopt an amendment to the Articles.

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 amend 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 further amend the Articles to the extent requested by any 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. It is the desire of Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of Las Campanas and until the Class B Membership ceases pursuant to Article VI of the Declaration. 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 23, 1994, 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 by each class of Members shall be 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 the 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 of Recorded first mortgages or deeds of trust to which the Assessment Lien is subordinate pursuant to Article VIII of the Declaration on seventy-five (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 is as follows:

<u>Name</u>	<u>Address</u>
David J. Williamson	7001 North Scottsdale Road Scottsdale, Arizona 85253
Steve Powell	4185 Manolito Drive Green Valley, Arizona 85614

**ARTICLE X.**

**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 XI.**

**INDEMNIFICATION**

The Association shall indemnify all of its Directors and Officers, and its former Directors and Officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation 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 within the scope of his or her employment as a Director or Officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act wilfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved

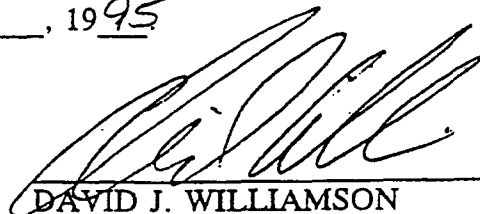
in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would 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 any such legal action. Whenever any such present or former Director or Officer shall report to the President of the Association or Chairman of the Board of Directors that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act wilfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

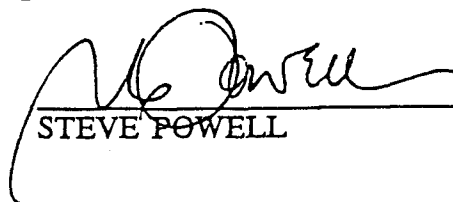
## ARTICLE XII.

### FHA/VA APPROVAL

If the Declaration and these Articles have been initially approved by the FHA or the VA in connection with any loan programs made available by FHA or VA and any loans have been made on property in Las Campanas which are insured or guaranteed by FHA or VA, then as long as there is a Class B membership, the following actions will require the prior approval of the FHA or VA, as applicable, unless the need for such approval has been waived by FHA or VA: (i) annexation of additional properties, (ii) mergers and consolidations, (iii) mortgaging of the Common Area, (iv) dedication of the Common Area except as required by the Declaration, zoning stipulations or agreements with Pima County effective prior to the date hereof, and (v) dissolution and amendment of these Articles.

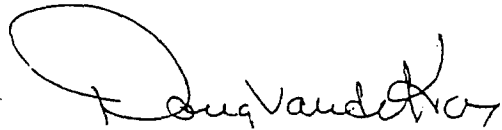
Dated this 3rd day of April, 1995

  
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DAVID J. WILLIAMSON

  
\_\_\_\_\_  
STEVE POWELL

ACCEPTANCE OF STATUTORY AGENT

I, Douglas R. Vande Krol, having been designated to act as Statutory Agent of LAS CAMPANAS COMMUNITY ASSOCIATION, hereby consent to act in that capacity until removal, or resignation is submitted in accordance with the Arizona Revised Statutes.

A handwritten signature in black ink, appearing to read "Douglas R. Vande Krol". The signature is written in a cursive style with a large initial "D".

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Douglas R. Vande Krol