

EXPEDITED
AZ CORP COMMISSION
FILED

JUN 16 2 15 PM '95

ARTICLES OF INCORPORATION

OF

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7/6-11

WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES

HOMEOWNERS ASSOCIATION

0751344-4

In compliance with the requirements of Arizona Revised Statutes, Title 10, Chapter 5, the undersigned, all of whom are residents of Maricopa County, Arizona, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

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 of Covenants, Conditions and Restrictions of Walnut Meadows at Fairfield Country Club Estates, herein referred to as the "Declaration", which is of record in the Office of the County Recorder of Coconino County, Arizona, Docket Number 1771, page 311, as the same has been and may be supplemented or amended from time to time.

ARTICLE II
NAME

The name of the corporation is Walnut Meadows at Fairfield Country Club Estates Homeowners Association, herein referred to as the "Association".

ARTICLE III
PURPOSES

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 the maintenance, preservation and architectural control of the Lots and Common Area within that certain property included within the Declaration, as previously supplemented and as it may be further supplemented or amended from time to time, which property is herein collectively referred to

as Walnut Meadows at Fairfield Country Club Estates Homeowners Association and to promote the health, safety, and welfare of the residents within the above-described property and any supplements or 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 said Declaration and all supplements thereto 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;
- (c) to pay all expenses in connection with the foregoing 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;
- (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;
- (e) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (f) 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 by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (g) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any merger or consolidation shall have the assent of two-thirds (2/3) of each class of members;

(h) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporations Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE IV
INITIAL BUSINESS

The Association initially intends to conduct the business of a nonprofit owners association.

ARTICLE V
MEMBERSHIP

Every person or entity who is a record Owner of any Lot which is subject by covenants of record to assessment by the Association 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 (2) classes of voting memberships:

Class A: Class A members shall be all Owners of Lots within Walnut Meadows at Fairfield Country Club Estates, with the exception of the Declarant. Each Class A member shall be entitled to one (1) vote for each Lot owned.

Class B: The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot owned, for as long as there is a Class B membership. The Class B membership shall cease and be converted to a Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) When all of the Lots have been conveyed to purchasers; or

(b) When the Declarant notifies the Association in writing that it relinquishes Class B membership; or

(c) On January 1, 1999.

When more than one (1) person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they, among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint 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 Owner or Owners casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted as said votes shall be deemed void.

In any election of the members of the Board, every Owner entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of Lots owned by the Owner multiplied by 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.

In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote the membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

In the event any Owner shall be in arrears in the payment of any amounts due under any of the provisions of the recorded Declaration for a period of fifteen (15) days, or shall be in default in the performance of or in breach of any of the terms of the Declaration, said Owner's right to vote as a member of the Association and right to the use of the recreational

facilities shall be suspended and shall remain suspended until all payments are brought current, including accrued interest and attorney's fees, and all defaults and breaches remedied.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of the corporation shall be managed by a board of three (3) directors who need not be members of the Association. The name and address of each person who is to serve as a Director until the first annual meeting of members or until his successor is elected and qualifies and the duration of his term are:

<u>Name and Address</u>	<u>Year of Expiration</u>
T. Dennis Barney 1455 East University Drive Mesa, Arizona 85203	1995
William R. Olsen, Jr. 1455 East University Drive Mesa, Arizona 85203	1996
Gerald J. Ricke 1455 East University Drive Mesa, Arizona 85203	1997

ARTICLE VIII
STATUTORY AGENT

The name and address of the initial Statutory Agent of the Association is:

Roberts & Rowley, Ltd.
63 East Main Street
Suite 501
Mesa, Arizona 85201-7417

as specified herein, and as provided for A.R.S. §10-1005, 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 XI
DISSOLUTION

The Association may be dissolved, merged or consolidated with 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII
AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XIII
INTERPRETATION

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

IN WITNESS WHEREOF, for the purposes 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 on June 12, 1995.

INCORPORATORS:

T. Dennis Barney
T. Dennis Barney

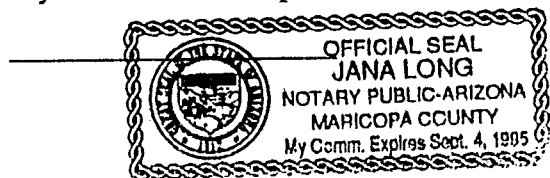
William R. Olsen, Jr.
William R. Olsen, Jr.

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on June 13, 1995, by *T. Dennis Barney*.

Jana Long
Notary Public

My Commission Expires:

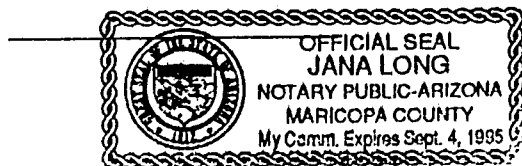


STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on June 13th, 1995, by *William R. Olsen, Jr.*

Jana Long
Notary Public

My Commission Expires:



STATUTORY AGENT CONSENT

ROBERTS & ROWLEY, LTD., an Arizona corporation, having been designated to act as statutory agent of WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION, hereby consents to act in that capacity until removed, or resignation is submitted in accordance with the Arizona Revised Statutes.

ROBERTS & ROWLEY, LTD.,
an Arizona professional corporation

By: 
Richard Roberts, President

RENZ D. JENNINGS
CHAIRMAN

MARCIA WEEKS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

6-16-95

WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES HOMEOWNERS ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on 6-16-95.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in MARICOPA County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is DECEMBER 31, 1995. Each year, a preprinted Annual Report Form will be mailed to you during that month.

4-15-96

Your first annual report will be due _____.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

Terry Martinez

Examiner
Corporations Division
Arizona Corporation Commission

ARTICLE IX
INCORPORATORS

The name and address of each incorporator are:

T. Dennis Barney
1455 East University Dr.
Mesa, Arizona 85203

William R. Olsen, Jr.
1455 East University Drive
Mesa, Arizona 85203

All powers, duties and responsibilities of the incorporators shall cease at the time of filing of these Articles of Incorporation.

ARTICLE X
INDEMNITY

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 or service as director or officer of the corporation. Whenever any director, officer, former director or former 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 or service 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 willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person acted, failed to act, or refused to act willfully, 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 willfully or with cross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended