

ARTICLES OF INCORPORATION  
OF  
THE TERRACES AT TIBURON CONDOMINIUM ASSOCIATION, INC.

THE TERRACES AT TIBURON  
CONDOMINIUM ASSOCIATION, INC.

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OF  
INCORPORATION

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ARTICLES OF INCORPORATION

OF

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THE TERRACES AT TIBURON CONDOMINIUM ASSOCIATION, INC.

SEP 12 2 41 PM '06  
APPROVED  
DATE 9-18 FILED  
DATE

In compliance with the requirements of §10-1001 et seq., Arizona Revised Statutes, as amended, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a corporation not for profit, and do hereby certify:

ARTICLE I  
NAME

The name of the corporation is The Terraces at Tiburon Condominium Association, Inc.

ARTICLE II  
DEFINED TERMS

Terms in all capital letters used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for The Terraces at Tiburon Condominium, recorded with the County Recorder of Maricopa County, Arizona, as Instrument Number 86-485269.

ARTICLE III  
PRINCIPAL OFFICE

The principal office of the ASSOCIATION shall be located at Lepin and Renehan Management, Inc., Post Office Box 50309, Phoenix, Arizona 85076-0309.

ARTICLE IV  
STATUTORY AGENT

Mark Goss a bona fide resident of the State of Arizona for the last three (3) years, whose address is 2300 Great American Tower, 3200 North Central Avenue, Phoenix, Arizona 85012, is hereby appointed the initial statutory agent of the Association.

ARTICLE V  
PURPOSE OF THE ASSOCIATION

The object and purpose for which the ASSOCIATION is organized is to provide for the management, maintenance, and care of the GENERAL COMMON ELEMENTS and to perform such other duties as are imposed upon the ASSOCIATION under the CONDOMINIUM DOCUMENTS. In furtherance of, and in order to accomplish the foregoing object and purpose, the ASSOCIATION may transact 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 VI  
CHARACTER OF BUSINESS

The character of the business which the ASSOCIATION intends to conduct in Arizona is to provide for the acquisition, construction, management, maintenance and care of the GENERAL COMMON ELEMENTS and to perform such other duties as are imposed upon the ASSOCIATION under the CONDOMINIUM DOCUMENTS, and to promote and protect the common good and general welfare of the people of the community encompassed within the ASSOCIATION, through the preservation and maintenance of the architecture, ecology and aesthetic beauty of the GENERAL COMMON ELEMENTS, and the UNITS included within the CONDOMINIUM.

ARTICLE VII  
POWERS

The ASSOCIATION shall have all of those powers provided by law, including those set forth in the Arizona Revised Statutes, as the same may be amended from time to time, and all of those powers necessary or convenient to effect the corporation's purposes as set forth above, including, but without limitation, the power to exercise all of the rights and privileges and to perform all of the duties and obligations of the ASSOCIATION as set forth in the CONDOMINIUM DOCUMENTS.

ARTICLE VIII  
MEMBERSHIP

Identity of Members. Membership in the ASSOCIATION shall be limited to OWNERS of UNITS. Each MEMBER shall be entitled to one (1) vote per UNIT owned. Each OWNER of a

UNIT shall automatically be, upon becoming the OWNER thereof, a MEMBER of the ASSOCIATION and shall remain a MEMBER of the ASSOCIATION until such time as his ownership ceases for any reason, at which time his membership in the ASSOCIATION shall automatically cease.

Transfer of Membership. The ASSOCIATION membership of each OWNER of a UNIT shall be appurtenant to each such UNIT. The rights and obligations of an OWNER and membership in the ASSOCIATION shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of such UNIT or by intestate succession, testamentary disposition, foreclosure of mortgage of record, exercise of a power of sale under a deed of trust or such other legal process as is now in effect or as hereafter may be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the ASSOCIATION.

#### ARTICLE IX VOTING RIGHTS

Identity. Each OWNER of a UNIT shall be a MEMBER of the ASSOCIATION and shall be entitled to one (1) vote per UNIT owned.

Declarant Control. Established by the DECLARATION is a period of DECLARANT CONTROL of the ASSOCIATION which shall terminate no later than the earlier of:

(1) Ninety (90) days after conveyance of seventy-five percent (75%) of the UNITS which may be created to UNIT OWNERS other than the DECLARANT.

(2) Four (4) years after DECLARANT has ceased to offer UNITS for sale in the ordinary course of business.

During the period of DECLARANT CONTROL, DECLARANT or person(s) designated by him may appoint and remove the officers and members of the BOARD. The DECLARANT may voluntarily surrender this right before termination of the period as stated above, but in that event he may require, for the duration of the period of DECLARANT CONTROL, that specified actions of the ASSOCIATION or BOARD, as described in a recorded instrument executed by the DECLARANT, be approved by the DECLARANT before they become effective.

Joint Ownership. When more than one person is the OWNER of a UNIT, all such persons shall be MEMBERS. The vote for such UNIT shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any UNIT. The votes for each such UNIT 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 only one of the JOINT OWNERS of a UNIT is present at the meeting, he shall be entitled to cast that UNIT's vote and it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other OWNERS of the same UNIT. In the event more than one ballot is cast for a particular UNIT, none of said votes shall be counted and said votes shall be deemed void.

Corporate or Partnership Ownership. In the event a UNIT is owned by a corporation, partnership or association, the corporation, partnership or association shall be a MEMBER and shall designate in writing to the ASSOCIATION at the time of acquisition of the UNIT, the name and title of a person who shall have the power to vote the membership of the corporation, partnership or association in the ASSOCIATION. The person so designated shall be the only person who shall be entitled to cast the vote for the UNIT owned by such corporation, partnership or association. If the corporation, partnership or association fails to designate the person who shall have the right to vote the membership of the corporation, partnership or association, then until such designation is made, such corporation, partnership or association shall lose its right to vote and it shall not be considered a MEMBER for the purpose of determining the requirement for a quorum or any other purpose requiring the approval of a person entitled to cast the vote for the UNIT owned by such corporation, partnership or association.

Suspension of Rights. In the event any OWNER of a UNIT is in arrears in the payment of any assessment or other amounts due under the terms of the CONDOMINIUM DOCUMENTS for a period of fifteen (15) days, the ASSOCIATION shall impose charges for late payment of assessments, and after notice and an opportunity to be heard, said OWNER'S right to vote as a MEMBER of the ASSOCIATION shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current and for a period not to exceed 60 days for any infraction of the CONDOMINIUM DOCUMENTS.

ARTICLE X  
BOARD OF DIRECTORS

The affairs of the ASSOCIATION shall be conducted by the Board of Directors and such officers and committees as the directors may elect and appoint in accordance with the ARTICLES and BYLAWS. The BOARD may increase or decrease the number of directors on the BOARD but the number of directors must always be an odd number and may not be less than three (3) nor more than nine (9). The number of directors constituting the initial Board of Directors shall be three (3). The names and post office addresses of the first directors of the ASSOCIATION are as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
James V. Beemiller	3875 North 44th Street, #201 Phoenix, Arizona 85018
Dale J. Owens	3875 North 44th Street, #201 Phoenix, Arizona 85018
Martin Rosenzweig	3875 North 44th Street, #201 Phoenix, Arizona 85018

The initial directors shall serve until the first annual meeting of the MEMBERS after the period of DECLARANT CONTROL has been terminated and until their successors have been elected and qualified. Commencing with the first annual meeting of the MEMBERS after the period of DECLARANT CONTROL has been terminated, one director shall be elected for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years. At each annual meeting thereafter, the MEMBERS shall elect one director for a term of three (3) years. In the event the number of directors on the BOARD is increased, the BOARD shall provide for the election of the directors in such a manner that the terms of the directors shall be staggered.

So long as there is DECLARANT CONTROL in the ASSOCIATION, the directors need not be members of the ASSOCIATION. After the termination of DECLARANT CONTROL, all directors must be members of the ASSOCIATION.

Any vacancy occurring on the BOARD by reason of death, resignation, or disqualification of any 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 BYLAWS for the ASSOCIATION, by a majority vote of the members of the BOARD, at a regular or special meeting called therefor.

ARTICLE XI  
DISSOLUTION

Except for a DISSOLUTION that would result in a Withdrawal of the CONDOMINIUM from The Terraces at Tiburon Condominium Association, Inc. created by the recording of the DECLARATION, the ASSOCIATION may be dissolved with the consent given in writing and signed by MEMBERS representing not less than two-thirds (2/3) of the total authorized votes entitled to be cast by MEMBERS of the ASSOCIATION. Upon any such dissolution of the ASSOCIATION, other than incident to a merger or consolidation, the assets of the ASSOCIATION shall be dedicated, granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization designated by the MEMBERS approving the dissolution as being the entity which will thereafter perform the duties and obligations of the ASSOCIATION under the CONDOMINIUM DOCUMENTS. Any dissolution of the ASSOCIATION which would result in a Withdrawal of the CONDOMINIUM in The Terraces at Tiburon Condominium Association, Inc. must be approved by the OWNERS of the UNITS and shall be evidenced by a Declaration of Withdrawal executed, acknowledged and recorded by the OWNERS of all of the UNITS. If at the time of any such dissolution there are any encumbrances or liens against any of the UNITS, such Declaration of Withdrawal will be effective only when the creditors holding such encumbrances or liens also execute and acknowledge such Declaration of Withdrawal or their encumbrances or liens are satisfied other than by foreclosure against the UNITS or expire by operation of law. As long as there is a period of DECLARANT CONTROL in the ASSOCIATION any dissolution of the ASSOCIATION must have the prior written approval of the Veterans Administration or the Federal Housing Administration.

ARTICLE XII  
AMENDMENTS

These Articles may be amended by MEMBERS representing at least eighty percent (80%) of the total authorized votes entitled to be cast by MEMBERS of the ASSOCIATION; provided, however, that so long as there is Declarant Control in the ASSOCIATION, the DECLARANT shall have the right to amend these ARTICLES Without obtaining the approval or consent of any other OWNER or FIRST MORTGAGEE in order to



conform these ARTICLES to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other Administrative body. So long as there is Declarant Control in the ASSOCIATION, any amendment of these Articles must have the prior written approval of the Veterans Administration or the Federal Housing Administration.

In cases of conflict between this ARTICLE and Section 13.2 of the DECLARATION, the provisions contained in the DECLARATION shall prevail over the provisions contained in the ARTICLES.

ARTICLE XIII  
DURATION

The corporation shall exist perpetually.

ARTICLE XIV  
FHA/VA APPROVAL

As long as there is Declarant Control, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; annexation of additional properties, mergers and consolidations, mortgaging of COMMON ELEMENTS, dissolution and amendment of these Articles.

ARTICLE XV  
INCORPORATORS

The names and addresses of the incorporators of this ASSOCIATION are:

<u>NAMES</u>	<u>ADDRESSES</u>
James V. Beemiller	3875 North 44th Street, #201 Phoenix, Arizona 85018
Dale J. Owens	3875 North 44th Street, #201 Phoenix, Arizona 85018

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 5th day of August, 1986.

James V. Beemiller  
James V. Beemiller

Dale J. Owens  
Dale J. Owens

STATE OF ARIZONA     )  
                                  )     ss.  
COUNTY OF MARICOPA    )

On this, the 5th day of August, 1986, before me, the undersigned Notary Public, personally appeared James V. Beemiller and Dale J. Owens, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Teresa A. Chandler  
Notary Public

My Commission Expires:

October 27, 1987

