

STATE OF ARIZONA  
ACC/FAX  
DATE FILED

OCT 09 2003

ARTICLES OF INCORPORATION  
OF

MARLEY PARK COMMUNITY ASSOCIATION, INC.  
(Arizona Nonprofit Corporation)

DATE APPR 10-09-03

TERM  
BY M. Flores-Bastello

-1101657-8

**Article 1. Name.** The name of the corporation is Marley Park Community Association, Inc. ("Association").

**Article 2. Nonprofit Corporation.** The Association is formed as a non-stock, nonprofit corporation under the laws of the State of Arizona.

**Article 3. Principal Office.** The mailing address of the initial principal office of the Association is 7600 E. Doubletree Ranch Road, Suite #300, Scottsdale, Arizona 85258.

**Article 4. Definitions.** All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Community Charter for Marley Park, recorded or to be recorded in the Official Records of Maricopa County, Arizona ("Charter").

**Article 5. Purposes.** The purposes for which the Association is organized are:

(a) to be and constitute the Association to which reference is made in the Charter, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws of Marley Park Community Association, Inc. ("By-Laws"), and as provided by law; and

(b) to provide an entity for the furtherance of the interests of Owners of Units subject to the Charter.

**Article 6. Powers.** The powers of the Association shall include and be governed by the following provisions:

(a) The Association shall have all of the common law and statutory powers conferred upon nonprofit corporations under Arizona law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Charter, including, without limitation, the power:

(i) to fix, collect, and enforce payment, by any lawful means, of assessments and other charges to be levied against the property subject to the Charter;

(ii) to manage, control, operate, maintain, repair, and improve property subject to the Charter and any other property for which the Association by rule, regulation, covenant, or contract has a right or duty to provide such services;

(iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Charter or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of Persons who own property subject to the Charter;

(v) to buy or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Charter or By-Laws;

(vi) to borrow money for any purpose, subject to such limitations as may be contained in the Charter or By-Laws;

(vii) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association with, or in association with, any other corporation, association, or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and, as such, to advance the business or ownership interests in such corporations, firms, or individuals;

(ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided such By-Laws may not be inconsistent with or contrary to any provisions of the Charter or these Articles; and

(x) to provide any and all supplemental municipal services to the real property subject to the Charter as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

(b) The Association shall make no distributions of income to its members, directors or officers.

## Article 7. Members.

(a) The Association shall be a membership corporation without certificates or shares of stock. The Founder, for such period as is specified in the Charter, and each Person who is the Owner of a Unit within the Community, shall be a member of the Association. Membership is appurtenant to, and inseparable from, ownership of the Unit. The members shall

be divided into classes, the Owner Membership and the Founder Membership, and shall be entitled to such voting rights and membership privileges as are set forth in the Charter and the By-Laws.

(b) Change of membership in the Association shall be established by recording in the Official Records of Maricopa County, Arizona, a deed or other instrument establishing record title to real property subject to the Charter. Upon such recordation, the Owner designated by such instrument shall become a member of the Association, and the membership of the prior Owner shall be terminated.

(c) The share of a member in the privileges, rights, and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as appurtenance of its Unit.

**Article 8. Dissolution** The Association may be dissolved only upon a resolution duly adopted by the Association's Board and approved by members representing at least two-thirds (2/3) of total number of Units in the Community, in addition to any approval required under Article 13. During the Development and Sale Period, as defined in the Charter, the written consent of the Founder shall also be required. If at the time of dissolution the U. S. Department of Veterans Affairs ("VA") is guaranteeing or the U. S. Department of Housing and Urban Development ("HUD") is insuring the Mortgage on any Unit, any assets remaining after providing for all debts and liabilities shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes unless either VA or HUD approves an alternative disposition.

**Article 9. Directors.**

(a) The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board shall consist of three directors. The number of directors may be increased in accordance with the By-Laws.

(b) The names and addresses of the initial Board, who shall hold office until their successors are elected and qualified, or until removed, are as follows:

Irene Carroll	Sean M. McGraw
7600 E. Doubletree Ranch Road	7600 E. Doubletree Ranch Road
Suite #300	Suite #300
Scottsdale, Arizona 85258	Scottsdale, Arizona 85258

Paula Randolph  
7600 E. Doubletree Ranch Road  
Suite #300  
Scottsdale, Arizona 85258

Each of the foregoing persons has consented to be a director.

(c) The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of each director shall be as set forth in the By-Laws.

(d) The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

**Article 10. By-Laws.** The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

**Article 11. Liability of Directors, Officers and Committee Members.** To the fullest extent that Arizona law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer, or member of any Association committee shall be personally liable to the Association for monetary damages for breach of duty of care or other duty as a director, officer, or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

**Article 12. Amendments.** These Articles may be amended only upon a resolution duly adopted by the Board of Directors and approved by the affirmative vote of members representing at least two-thirds (2/3) of the total number of Units in the Community, in addition to any approval required under Article 13; provided, the members shall not be entitled to vote on any amendment to these Articles of Incorporation adopted for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity or any institutional lender authorized to fund, insure or guarantee mortgages on individual Units, which amendments may be adopted by the Board of Directors without a membership vote. During the Development and Sale Period, the consent of the Founder shall also be required for any amendment.

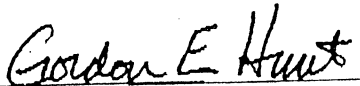
**Article 13. VA/HUD Approval.** So long as there is a Founder Membership, the following actions shall require the prior approval of the U. S. Department of Veterans Affairs, if such agency is guaranteeing or insuring the Mortgage on any Unit, or the U. S. Department of Housing and Urban Development, if such agency is guaranteeing or insuring the Mortgage on any Unit: annexation of additional property to the Community, except for annexation by the Founder in accordance with the Charter pursuant to a plan of annexation previously approved by either such agency; mortgaging, conveyance, or dedication of Common Area; and amendment of these Articles of Incorporation.

**Article 14. Incorporator.** The name of the incorporator of the Association is Gordon E. Hunt, and such incorporator's address is 11201 North Tatum Boulevard, Suite 330, Phoenix, Arizona 85028. All powers and duties of the Incorporator, as Incorporator, shall cease at the time these Articles of Incorporation are delivered to the Arizona Corporation Commission. To the fullest extent permitted by Arizona law as the same exists or may be hereafter amended,

Incorporator shall be not liable to the Association or its members for monetary damages for any action taken or any failure to take any action as Incorporator. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or failure to act of Incorporator occurring prior to such repeal, amendment or modification.

**Article 15. Statutory Agent.** The Association hereby appoints Paula Randolph, whose address is 7600 E. Doubletree Ranch Road, Suite #300, Scottsdale, Arizona 85258, who is now and has been for more than three years past, a bona fide resident of the State of Arizona, as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon this Association. The Association may, at any time, appoint another agent for such purpose and the filling of such appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 30th day of June, 2003.

  
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Gordon E. Hunt, Incorporator

**Acceptance of Appointment by Statutory Agent:**

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this 29 day of May, 2003.

Signed: Paula J. Randolph

Print Name: PAULA J RANDOLPH



STATE OF ARIZONA  
CORPORATION COMMISSION

I hereby certify this to be a true  
and complete copy of the document filed  
in this office and admitted to record in  
File No. -1101657-8

  
Executive Secretary

Dated: 10-09-03

By: N. Flores-Bastelo