

ARTICLES OF INCORPORATION

OF

CRESCENT VILLAGE HOMEOWNERS ASSOCIATION

AZ CORP COMMISSION
FOR THE STATE OF AZ.
FILED

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Pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Crescent Village recorded November 18, 1987 as Document # 87 698513 in the office of the County Recorder of Maricopa County, Arizona, (the "Declaration"), the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, 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. "Declarant" as used herein shall refer to General Homes Corporation, a Texas corporation. "Crescent Village" as used herein to describe a place shall refer to the real property described in the Declaration as Crescent Village.

ARTICLE II
NAME

The name of the corporation is the CRESCENT VILLAGE HOMEOWNERS ASSOCIATION (hereafter 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 1400 E. Southern, Suite 600, Tempe, Arizona 85282.

ARTICLE IV
INITIAL BUSINESS

The character of business that the Association initially intends to actually conduct in this state is the administration of requirements of the Declaration.

ARTICLE V
STATUTORY AGENT

F. C. Service Corporation, whose address is Suite 2200, Two N. Central Avenue, Phoenix, Arizona 85004-2390 is hereby the initial statutory agent of the Association.

ARTICLE VI
PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. The purpose for which the Association is organized is the transaction of any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as the same may be amended from time to time, including but not limited to:

(a) To encourage and facilitate social and recreational activities for the Owners, lessees and residents of Crescent Village;

(b) To provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration;

(c) To promote the health, safety and welfare of the Owners, lessees and residents within Crescent Village and any additions thereto as may hereafter be brought within the jurisdiction of the Association; and

(d) To comply with requirements of the Declaration of Covenants, Conditions and Restrictions created for Crescent Village.

Section 2. Powers. In the conduct of its business, this Association, to the extent authorized by its Board of Directors and subject to any limitations set forth in the Declaration and amendments thereto, shall be empowered to do all things that a private person or individual might do under the laws of the State of Arizona, including but not limited to the following:

(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 for 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 of 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 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 Chandler 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 or two-thirds (2/3) of the memberships in each class of Members; and

(g) Establish and adopt Bylaws and other rules and regulations deemed necessary and expedient to carry into effect the objects and purposes of the Association.

Section 3. Limitation of 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 stock may be issued by this Association, no dividends or pecuniary profit shall be paid to or inure to the benefit of its Members. No certificates of membership shall be issued and memberships shall be evidenced by an official list of the Owners (or Owners of a Lot or Parcel), which list shall be kept by the Secretary of the Association.

ARTICLE VII MEMBERSHIPS AND VOTING

Section 1. Owners of Lots. Every Owner of a Lot which is subject to assessment shall be a Member of the Association.

Each such membership shall be appurtenant to, and may not be separated from, ownership of the Lot to which the membership is attributable. There shall be only one (1) membership for each Lot or Parcel owned by the member.

Section 2. Declarant. The Declarant shall be a Member of the Association for so long as he holds a Class B membership pursuant to Section 3 below or owns any Lot in Crescent Village.

Section 3. Voting. The Association shall have two (2) classes of voting memberships:

Class A. Class A memberships shall be all memberships, except the Class B membership held by the Declarant, and each Owner shall be entitled to one (1) vote for each Class A membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of the Declaration in accordance with the provisions hereof.

Class B. There shall be one (1) Class B membership which shall be held by the Declarant and the Class B membership shall be entitled to three (3) votes for each Lot owned by the Declarant. The Class B membership shall cease and be converted to Class A memberships on the happening of the first of the following events:

(a) Within ninety (90) days of the date upon which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) January, 1993.

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 he was acting with the 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. 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 3 above, times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one (1) 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. 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. Except as provided in Section 8 of this Article VII, the rights and obligations of the owner of a Class 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. A transfer of ownership to a Lot or Parcel may be effected 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 shall operate to transfer the membership(s) appurtenant to said Lot to the new Owner thereof.

Section 8. Use of Membership; Designees. Subject to the Association Rules for Crescent Village, all of the owners of a membership may designate one (1) 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 obligation 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.

ARTICLES VIII
BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors composed of three (3) directors who need not be Members of the Association. The names and addresses of the 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>
Patricia L. Sneed	1400 E. Southern, Suite 600 Tempe, Arizona 85282
Alan Marks	1400 E. Southern, Suite 600 Tempe, Arizona 85282
Roseann M. Toulouse	1400 E. Southern, Suite 600 Tempe, Arizona 85282

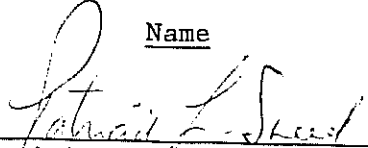
ARTICLE IX
AMENDMENTS

Section 1. Amendments. These Articles of Incorporation 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 the recording of the Declaration, the affirmative vote of only seventy-five percent (75%) of the Members casting votes at a 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. Any thing in these 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 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 Crescent Village and until the Class B membership ceases pursuant to Article VII, Section 1 above. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or provides for and adopt, as an amendment hereto, other and different control provisions.

ARTICLE X
INCORPORATOR

The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
 Patricia L. Sneed, Vice President General Homes Corporation	1400 E. Southern, Suite 600 Tempe, Arizona 85282

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 control and this instrument shall be interpreted accordingly.