



ARIZONA CORPORATION COMMISSION

February 1, 1989

TATUM RANCH COMMUNITY ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on January 19, 1989.

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, 1989. A preprinted Annual Report Form will be mailed to you during that month.

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,

F. J. Kreeder
Examiner Technician
Corporations Division
Arizona Corporation Commission

RECORDED
FOR THE STATE OF ARIZONA
FILE

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APPROVED *L. L. Greider*
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ARTICLES OF INCORPORATION
OF
TATUM RANCH COMMUNITY ASSOCIATION

Pursuant to that certain SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TATUM RANCH dated December 21, 1988, and recorded December 27, 1988 as Recording No. 88 625068 in the office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of Arizona Revised Statutes Section 10-1001 et seq. (the "Act"), the undersigned, all of whom are eighteen (18) years or more of age, 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

NAME

The name of the corporation is the TATUM RANCH COMMUNITY ASSOCIATION, hereinafter called the "Association".

ARTICLE II

DEFINED TERMS

The capitalized terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Tatum Ranch" as used herein to describe a place shall refer to the real property described in the Declaration as Tatum Ranch.

ARTICLE III

KNOWN PLACE OF BUSINESS

The known place of business and principal office of the Association shall initially be located at 2828 North Central Avenue, Suite 1212, Phoenix, Arizona 85004.

ARTICLE IV

STATUTORY AGENT

Jarrett S. Jarvis a bona fide resident of the State of Arizona for the last three (3) years, whose address is 3900 East Camelback Road, Suite 304 South, Phoenix, Arizona 85018, is hereby appointed the initial statutory agent of the Association.

ARTICLE V

PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. The primary purpose for the Association is to own, manage and maintain the various Common Areas within Tatum Ranch. Additional purposes for which the Association is formed are:

(a) As provided in the Declaration, to provide for the orderly and aesthetic development, maintenance, preservation and architectural control of Tatum Ranch;

(b) To promote the health, safety and welfare of the Owners and Residents within Tatum Ranch including any areas subsequently annexed under the Declaration; and

(c) To encourage and facilitate social and recreational activities for the Owners and Residents of Tatum Ranch.

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 by this reference;

(b) Fix, levy, collect and enforce payment of, by any lawful means, all charges and 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; and

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

Section 3. Limitation on Purposes. This Association is not formed to provide profit to its Members. 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. The 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 following: To provide for the operation and maintenance of Common Areas, to levy and collect Assessments for the expenses of the Association, and to exert architectural control over the construction and maintenance of improvements in Tatum Ranch.

ARTICLE VI

MEMBERSHIPS AND VOTING

Section 1. Owners of Lots and Parcels. Every Owner of a Tatum Ranch Lot or Parcel which is subject to Assessments shall be a Member of the Association. Each such Owner shall have the following number of Memberships:

- (a) One Membership for each Lot owned;
- (b) One Membership for each acre (43,560 square feet) or fraction thereof in each Parcel owned, except any Parcels which have a Land Use Classification of Residential Condominium Development Use, Single Family Residential Use or Cluster Residential Use (for purposes of this Declaration, the term "acre" shall mean a net acre of land which does not include any area dedicated as public right-of-way;
- (c) One Membership for each residential Condominium Unit permitted by a recorded declaration of condominium;
- (d) In the case of the Owner of a Parcel designated for Residential Condominium Development but as to which a declaration of condominium has not been recorded, one Membership for each Dwelling Unit permitted pursuant to the applicable Tract Declaration or if not specified therein, as permitted upon the Parcel under the Master Development Plan then in effect for Tatum Ranch, the number of such Dwelling Units to be determined on the assumption that the number of Dwelling Units within a density classification on the Master Development Plan will be spread evenly over all land within the density classification. If a site plan for the Parcel is subsequently approved by the governing Architectural Committee and the City of Phoenix for a number of Dwelling Units different than the number of Dwelling Units assumed pursuant to the Master Development Plan, the number of Memberships will be adjusted, 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;

(e) In the case of an Owner of a Parcel with a Land Use Classification of Single Family Residential Use or Cluster Residential Use, one Membership for each Dwelling Unit permitted upon the Parcel under the applicable Tract Declaration or if not specified therein then one Membership for each Dwelling Unit permitted on the Parcel under the Master Development Plan then in effect for Tatum Ranch. 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 reduced by a number equal to the number of Lots in the recorded subdivision plat. 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

(f) One Membership for each office Condominium or other commercial Condominium Unit or Units under common ownership as determined and allocated by the Board; provided, however, that a Parcel subdivided as a commercial condominium shall be allocated at least one Membership per acre or fraction thereof.

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 and for each acre or fraction thereof in each Parcel as described above, which Memberships shall be shared by any joint owners of, or owners of undivided interests in, a Lot or Parcel. Notwithstanding the foregoing provisions of Section 1, in the event an Owner of two adjoining Lots, or an Owner of a Lot and a portion of an adjoining Lot, combines said areas for use as one residence, upon approval by the Board of Directors, the combined Lots or the combined Lot and adjoining property, as the case may be, shall be treated as one Lot hereunder and shall be entitled to one Membership and charged only one Annual Assessment.

Section 2. Tenants. Tenants of Rental Apartments shall not be Members of the Association. The Owners of a Parcel developed with Rental Apartments shall have one Membership for each acre or fraction thereof. In the event Rental Apartments are converted to residential Condominiums, then at the time the declaration of condominium is recorded, there shall be one Membership in the Association for each residential Condominium Unit owned.

Section 3. Declarant. The Declarant shall be a Member of the Association for so long as the Declarant owns any land in Tatum Ranch.

Section 4. Voting. The Association shall have two classes of voting Memberships:

Class A. Class A Memberships shall be all Memberships except the Class B Memberships. An Owner shall be entitled to one vote for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the Owner's voting rights for violations of the Declaration as provided herein.

Class B. The Class B Memberships shall be all Memberships held by the Declarant. Except as otherwise provided in the Declaration, the Declarant shall be entitled to three (3) votes for each Class B Membership owned. The Class B Member shall be deemed to be the owner of that number of Memberships which is the sum of (a) the maximum number of Dwelling Units permitted on the then current Master Development Plan and (b) the number of Memberships attributable to the net acres designated for commercial use on such Master Development Plan, minus the number of Class A Memberships then held by Class A Members. As of the date hereof, the Class B Memberships (both residential and commercial) held by the Declarant are deemed to be 5,000. In the event all or any portion of the Annexable Property is hereafter annexed under the Declaration, then the number of Memberships attributable to the Class B Member pursuant to this paragraph shall be increased by the number of residential and commercial Memberships attributable to such Annexable Property. The Class B Memberships shall cease and be converted to Class A Memberships (on the basis of the number of Lots and Parcels owned by the Declarant) on the happening of the first of the following events:

(a) One Hundred and Twenty days after the date when the total votes outstanding in the Class A Memberships equal the total votes outstanding in the Class B Memberships,

(b) Fifteen (15) years from the date of the recording of the Declaration, or

(c) When the Declarant notifies the Association in writing that it relinquishes its Class B Membership.

Section 5. 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; fractional votes shall not be allowed. In the event that a Membership is owned by more than one 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 that he was 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 is cast. In the event more than one vote is cast for a particular Membership, all such votes shall be deemed void.

Section 6. Membership Rights. Each Member shall have the rights, duties and obligations set forth in the Declaration, these Articles, the Bylaws, the Tatum Ranch Rules and the Architectural Guidelines, as the same may be amended from time to time. The Association shall have no stockholders, but only Members as herein set forth. No capital stock shall be authorized or issued. The annual meeting of the Members shall be held as provided in the Bylaws.

Section 7. Transfer of Membership. The rights and obligations of the Owner of a Class A Membership in the Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel and then only to the transferee thereof. 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 permitted by Arizona law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot or Parcel shall automatically transfer the Membership(s) appurtenant to said Lot or Parcel to the new Owner.

Section 8. Adjustment in Votes of Class B Member. In the event the Declaration is hereafter amended to exclude real property from Exhibit A to the Declaration or in the event the general plan of development contemplated by the Master Development Plan (or a modification thereof) is not pursued to completion and an affirmative statement of abandonment of any or all parts of the Master Development Plan is recorded in the office of the County Recorder of Maricopa County, Arizona, then, in such event the number of Memberships deemed owned by the Declarant pursuant to Section 4 above shall be reduced by the number of Memberships attributable on the Master Development Plan to the area so abandoned. In addition, in the event the Declarant shall make a "constuctive abandonment" of the Master Development Plan, then the number of Memberships deemed owned by Declarant pursuant to Section 4 above shall be reduced by the number of Memberships attributable in the Master Development Plan to the area so abandoned. For the purposes of this Section, a "constructive abandonment" shall be deemed to have occurred when Declarant shall fail to record a Tract Declaration on any area in Tatum Ranch for a period of five years and all on-site and off-site construction and sales activities at Tatum Ranch shall have

ceased for a period of five years and Declarant shall have made no substantial progress towards planning or preparation for continuation of the Master Development Plan for a period of five years. A constructive abandonment shall not occur if the lack of recordation, construction and planning or preparation shall be due to strikes, acts of God, war, riot, insurrection, or other acts which are beyond the control of Declarant. Only areas not then covered by a Tract Declaration may be affirmatively or constructively abandoned.

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 eleven (11) directors, as specified in the Bylaws. The number of directors shall always be an odd number. Initially, directors need not be Members, however, after the termination of the Class B Membership, all directors must be Members of the Association. Directors shall be elected at the Annual Meeting of the Members for terms as provided in the Bylaws. 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>
Anthony L. Camberlango	2828 N. Central Ave., Suite 1212 Phoenix, Arizona 85004
Gary Pundsack	2828 N. Central Ave., Suite 1212 Phoenix, Arizona 85004
Michael D. Johnson	2828 N. Central Ave., Suite 1212 Phoenix, Arizona 85004

The Board of Directors shall have power and authority to enact Bylaws and amendments thereto which are not inconsistent with the provisions hereof and not inconsistent with the Declaration. The officers of the Association shall be elected by the Board of Directors as provided by the Bylaws.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments. The Articles may be amended by the affirmative vote of seventy-five percent (75%) of the votes of Members of the Association cast at a duly called meeting of the

Members, provided, however, that for purposes of an election to amend these Articles, the Declarant shall have only one vote per Class B Membership.

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"), the Veterans Administration ("VA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Corporation ("FNMA") and to further amend the Articles to the extent required or 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. Declarant shall retain control of the Association and its activities by electing the Board of Directors during the anticipated period of planning and development of Tatum Ranch and until the Class B Membership ceases pursuant to Article VI, Section 4 above. Any amendment which deletes, diminishes or alters such control must be approved by the Declarant.

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 the date the Declaration is recorded, and for successive extension periods of ten (10) years each. However, the Declaration may be terminated, and the Association dissolved, at any time if seventy-five percent (75%) of the authorized votes of each class of Members shall be cast in favor of termination and dissolution at an election held for such purpose.

ARTICLE X

INCORPORATOR

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Michelle G. Trca	2828 North Central Avenue Suite 1212 Phoenix, Arizona 85004

ARTICLE XI

INDEMNIFICATION AND LIMITATION OF LIABILITY

The Association shall indemnify all of its directors, committee members and officers, and its former directors, committee members 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 authority as a director, committee member or officer of the Association, provided 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. Except as prohibited by the Act, directors, committee members and other persons serving on the Board or a committee in an advisory capacity shall have no personal liability to the Association or its Members for monetary damages for a breach of fiduciary duty.

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 Tatum Ranch 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) encumbering the Common Area, (iv) dedication of the Common Area except as required by zoning stipulations or agreements with the City of Phoenix effective prior to the date hereof, and (v) dissolution and amendment of these Articles.

Dated this 12th day of January, 1989.

Michelle G. Trca
Michelle G. Trca