

AZ CORPORATION COMMISSION

AZ Corp. Commission



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MAY 16 2005

FILE NO. -1202216-8

AZ CORPORATION COMMISSK

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JUN 28 2005

ARTICLES OF INCORPORATION
OF
TRAILSIDE VILLAGE HOME OWNERS ASSOCIATION

FILE NO. -1202216-8

NO \$ 1032130

ARTICLE I

Name

The name of the corporation is TRAILSIDE VILLAGE HOME OWNERS ASSOCIATION (the "Association"). Other terms used herein (but not specifically defined herein) shall have the same meaning given to them in the Declaration (as defined in Article III below).

ARTICLE II

Duration

The Association shall exist perpetually.

ARTICLE III

Purpose of the Association

The object and purpose for which this Association is organized is to perform the duties and obligations of the Association to be established upon recordation upon the Declaration of Covenants, Conditions and Restrictions for Trailside Village Home Owners Association, in the office of the County Recorder of Pinal County, Arizona, as the same may be amended from time to time (the "Declaration"). In furtherance of and in order to accomplish the foregoing object and purpose, the Association, may be incorporated under Chapter 24 of Title 10, Arizona Revised Statutes, as it may be amended from time to time (the "Arizona Nonprofit Corporation Act"). The Association, in furtherance of the foregoing shall:

- (a) fix, levy, collect and enforce payment 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;
- (b) 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;
- (c) 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;
- (d) 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 the Members of each class who are eligible to vote, agreeing to such dedication, sale or transfer;
- (e) 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 such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the Members of each class who are eligible to vote;

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(f) impose reasonable charges for the late payment of assessments, and, after notice and an opportunity to be heard, impose reasonable monetary penalties on Members for violations of the Declaration, the Bylaws, the Articles or the Rules of the Association. Charges for late payments and penalties shall be enforceable in the same manner as unpaid assessments; and

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

ARTICLE IV
Character of Business

The character of the business, which the Association intends to conduct in Arizona, is to fulfill the duties and obligations of the Association as set forth in the Declaration.

ARTICLE V
Statutory Agent

Brian Lincks, whose address is 4645 E. Cotton Gin Loop, Phoenix, AZ 85040 and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed the initial statutory agent of the Association.

ARTICLE VI
Board of Directors

The number of directors constituting the initial Board of Directors shall be three (3). The names and address of the initial directors of the Association who shall serve until the first annual meeting of the Members or until their successors are elected and qualified are as follows:

Dave Bessey	15160 N. Hayden Road Suite 200 Scottsdale Arizona 85260
Catherine French	15160 N. Hayden Road Suite 200 Scottsdale Arizona 85260
Jeff Andersen	15160 N. Hayden Road Suite 200 Scottsdale Arizona 85260

ARTICLE VII
Incorporator

Dave Bessey	15160 N. Hayden Road Suite 200 Scottsdale Arizona 85260
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-1202216-8

ARTICLE VIII
Limitation on Liability of Directors

To the fullest extent allowable under the Arizona Nonprofit Corporation Act, including without limitation Arizona Revised Statutes 10-3202B(1), no director of the Association shall be personally liable to the Association or its Members for money damages for any action taken or any failure to take any action as a director, except liability for any of the following:

- (i) The amount of any financial benefit received by a director to which the director is not entitled;
- (ii) An intentional infliction of harm on the Association or the Members;
- (iii) A violation of Arizona Revised Statutes 10-3833;
- (iv) An intentional violation of criminal law;

ARTICLE IX
Principal Office

The principal office of the Association shall be located at 15160 N. Hayden Road, Suite 200, and Scottsdale, AZ 85260.

ARTICLE X
Membership and Voting Rights

Membership in the Association shall be limited to Owners of Lots. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Declaration.

ARTICLE XI
Bylaws

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws 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 any federal, state or local government agency whose approval of the Project, the Plat or the Declaration is required by law or requested by the Declarant.

ARTICLE XII
Officers

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Association or until their successors have been elected and qualified.

Dave Bessey	President
Catherine French	Vice President
Jeff Andersen	Secretary/Treasurer

ARTICLE XIII
Dissolution

The Association may be dissolved with the assent given in writing and signed by the Owners representing not less than two-thirds (2/3) of the authorized votes of the Association Membership. 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 the purposes similar to those for which this Association was created, as the Board of Directors shall determine. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose as the Board of Directors shall determine.

ARTICLE XIV
Amendments

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Board, without a vote of the Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Declaration is required by law or requested by the Declarant.

ARTICLE XV

FHA/VA Approval

As long as there is a Class B membership, 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 Area, dedication of Common Area, dissolution and amendment of these Articles. Consent of the FHA and VA to the foregoing will not be required if the FHA and VA have elected not to approve the property for certification or if such approval has been revoked, withdrawn, canceled or suspended. Consent of the FHA or VA will be deemed to have been given if the matter has been submitted to the agency for approval and the agency has failed to respond within thirty (30) days of such submittal.

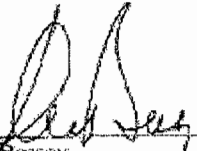
ARTICLE XVI
Indemnification

The Association shall indemnify any person made a party to any civil suit or criminal, administrative or investigative action, other than an action by or in the right of the Association, by reason of the fact that he is or was a member, director, officer, employee or agent of the Association against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, if he acted, or failed to act, in good faith and he reasonably believed (i) in the case of conduct in an official capacity with the Association, that the conduct was in its best interests, (ii) in all other cases, that the conduct was at least not opposed to its best interests and (iii) in the case of any criminal action or proceeding, that Members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the provisions of the Arizona Nonprofit Corporation Act. Notwithstanding any other provision of this Article to the contrary, the Association shall not be obligated to indemnify any person for liability for any of the exceptions described

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in Section 10-3202B(1) of the Arizona Revised Statutes, any repeal or modification of this Article XI shall be prospective only and shall not adversely affect, defeat or limit the right of any person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

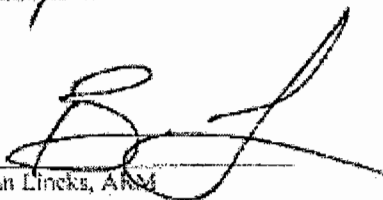
Dated this 6TH day of MAY, 2005.



Dave Bessey
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 16TH day of MAY, 2005.



Brian Lincks, ARM