

RESTATED ARTICLES OF INCORPORATION

OF

SUN LAKES HOMEOWNERS ASSOCIATION #1, INC.

(A Non-Profit Corporation)

AZ. CORP COMMISSION
FOR THE STATE OF AZ.
FILED

May 23 1 33 PM '89
APPR. *[Signature]*
DATE *[Signature]* FILED
TERM
DATE _____ TIME _____
0988 3A-1

Date Filed with Corporation Commission

Includes the Following

- (1) Original Articles of Corporation Incorporated September 19, 1972.
- (2) Amendment #1 - Articles of Amendment Filed July 27, 1981.
- (3) Amendment #2 - Articles of Amendment Filed January 27, 1989.
- (4) Amendment #3 - Articles of Amendment Filed April 4, 1989.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation under the laws of the State of Arizona, and we do hereby adopt the following Articles:

I.

The name of this corporation is SUN LAKES HOMEOWNERS ASSOCIATION, #1, INC.

II.

This corporation, hereafter referred to as "the Association," is a corporation which does not contemplate pecuniary gain or profit to the members thereof and that the purposes for which it is formed are:

(a) The primary purposes for which this corporation is formed are to establish, own, operate, maintain, and manage community recreational and welfare facilities in Section 31, and that part of Section 30 whose North border is Riggs Road and whose West Border is Price Road all which are located in Township 2 South Range 5 East, Maricopa County, Arizona including facilities to be transferred to the Association by Sun Lakes Development Company, Inc., the developer according to the deed restrictions, purchase contracts and facilities agreements executed between the developer and members of the Association (herein after referred to as "said Property"); to provide for, promote and protect the general and social welfare and interest of the homeowners and residents in "said Property"; and to represent them in matters of public interest.

(b) The general purposes for which this corporation is formed are to operate exclusively for civic, cultural, recreational, educational and charitable purposes. In addition, various other services which further the general purposes, stated herein, may be provided for the benefit of the members of the association. (Amended 4/4/89)

(c) The specific purposes for which this corporation is formed are:

1) To care for vacant, unimproved and unkempt lots in "said property," remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom, and to do any other things, and perform any labor necessary or desirable in the judgment of this association to keep the property, and the land contiguous and adjacent thereto neat and in good order.

2) To pay the taxes and assessments, if any, which may be levied by any governmental authority upon roads and parks in "said property," and any other open spaces maintained, and lands used or acquired for the general use of the owners of lots within "said property," and on any property of this association, or which may be held in trust for this association.

3) To enforce changes, restrictions, conditions and covenants existing upon and created for the benefit of "said property" over which this association has jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of this association having jurisdiction over any of "said property"; to pay all expenses in connection therewith; and to reimburse any declarant under any declaration of conditions, covenants, restrictions, assessments or charges affecting "said property," or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement, or attempted enforcement, of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in any declaration.

4) To improve, light, provide for, beautify, and maintain parks, and other open spaces, including all grass plots, park strips, other planted areas and trees and shrubs within and bordering upon "said property" as shall be maintained for public use, or for the general use of the owners of lots or building sites in "said property," but only until such time as such services are adequately provided by public authority.

5) To pay for the examination and approval, or disapproval, of plans, specifications, color schemes, block plans and grading plans for any building, outhouse, garage, stable, fence, wall, retaining wall, or other structure of any kind which shall be erected, constructed, placed or maintained on "said property," or any part thereof, and for any alteration, condition, changing, repairing, remodeling, or adding to the exterior thereof, and for such supervision of construction and inspection as may be required to insure compliance therewith, including the services of architects and other persons employed to examine and advise upon such plans, specifications, color schemes, block plans and grading plans.

6) To provide for the maintenance of tennis courts, playgrounds, water areas and other community features on land set aside for the general use of the members of said association, and to maintain and operate country club or golf course in proportion to its percentage of membership therein.

7) To do any and all lawful things and acts which this association at any time, and from time to time, shall, in its discretion, deem to be to the best interests of "said property" and the owners of the building sites thereon, and to pay all costs and expenses in connection therewith.

8) Any powers and duties exercised by said association relating to maintenance, operation, construction or reconstruction of any facility provided for herein may be contracted for with any qualified contractor as agent.

9) To fix the rate per square foot or other annual charges or assessments to which "said property" shall be made subject; to collect the charges or assessments affecting "said property"; to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of this association and all licenses, franchise taxes, and governmental charges levied or imposed against "said property" of this association; such charges or assessments shall become a lien on "said property" as soon as due and payable. Settlement of such lien shall be made as determined by the Directors of this association.

(10) To acquire by gift, purchase, or otherwise to own, hold, enjoy, lease, operate, maintain, and to convey, sell, lease, transfer, mortgage, or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of this association.

(11) To expend the monies collected by this association from assessments, or charges and other sums received by this association for the payment and discharge of all proper costs, expenses and obligations incurred by this association in carrying out any or all of the purposes for which this association is formed.

(12) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, and to do any and all things that an association organized under said laws of the State of Arizona may lawfully do, and generally to do and perform any and all other acts which may be either necessary for, or property or incidental to the exercise of any of the foregoing powers, and such powers as are granted by the provisions of the laws of the State of Arizona to a non-profit corporation.

(13) To do any and all lawful things which may be advisable, proper, authorized or permitted to be done by this association under and by virtue of any condition, covenant, restriction, reservation, charge, or assessment affecting "said property," or any portion thereof, and to do and perform any and all acts which may be either necessary for or

incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety, or general welfare of the owners of "said property," or any portion thereof, or residents thereon.

(14) To provide a real estate resale and leasing service for the benefit of the members of the association. (Added by amendment 4/4/89)

III.

The principal office for the transaction of the business of this association is located in Sun Lakes, Arizona; provided that it may conduct its affairs and establish other offices both within and without the State of Arizona as the Board of Directors may from time to time determine. (Amended 4/4/89)

IV.

The members of this association shall be all persons who are owners of record of any residential lot in "said property," provided that no person or corporation taking title as security for the payment of money or the performance of any obligation shall thereby become entitled to membership.

Such ownership of a residential lot shall be the only qualifications for membership in this association.

When a lot is owned of record in joint tenancy or tenancy in common, or when two or more residents are purchasing a lot, the membership as to such lot shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of record of such lot.

Membership in this association shall lapse and terminate when any member shall cease to be the owner of record of a lot.

A lot for the purpose of this Declaration of Incorporation shall be taken to be and mean a lot as defined in the protective covenants covering the portion of said property in which the lot is located.

The voting power of members of this association shall be limited to one vote for each lot, as defined in the covenants covering said property.

Each member of this association shall have such interest in all the property owned by this association as is represented by the ratio of the number of votes in this association. Such interest is and shall be appurtenant to the lots which qualify such person for membership in this association. (Amended 4/4/89)

V.

This corporation shall be a non-profit corporation and shall have no capital stock and no dividends or pecuniary profits shall be declared or paid to the directors or officers thereof. No part of the net earnings of the corporation shall inure to the benefit of any director, officer or member of the corporation, or any private

individual, provided, however, that reasonable compensation may be paid for services rendered to the corporation in furtherance of its purposes.

VI.

In the event of the dissolution of this corporation, any assets remaining after the payment of creditors shall be distributed for one or more of the exempt purposes of the corporation or paid over to an organization or organizations described in Section 501(c) (3) and exempt from taxation under Section 501(a) of the Internal Revenue Code of 1954 (or as may hereafter be amended), as selected by the Board of Directors, or failing such selection, selected by the Superior Court of the State of Arizona, County of Maricopa. In no event shall the assets be distributed to any director, officer or member of the corporation or any private individual. (Amended 4/4/89)

VII.

The commencement of the corporation shall be the date of the issuance of a certificate of incorporation by the Arizona Corporation Commission, and it shall endure in perpetuity. (Amended 4/4/89)

VIII.

The affairs of this corporation shall be conducted by a Board of Directors consisting of not less than four (4) nor more than twenty-five (25) persons. (Amended 7/27/81)

IX.

The following persons shall serve as officers of the corporation until their successors have been elected by the Board of Directors and qualified (original incorporators:)

Emanuel Goldstein
500 W. Clarendon
Phoenix, Arizona

Edward J. Robson
36 E. State Avenue
Phoenix, Arizona

Jay R. Greene
1677 E. Maryland, #21
Phoenix, Arizona

James J. Welch
99 W. Northview
Phoenix, Arizona

X.

The power to alter, amend, or repeal the Bylaws or adopt new Bylaws shall be reserved to the members of the corporation. Any such action shall follow the procedure set forth in the Bylaws existing before the action is taken. (Amended 7/27/81)

XI.

The Articles of Incorporation may be amended by a majority vote, by ballot, of the members of the association voting. Voting on the proposed amendments shall be conducted by mail. In no event shall the purposes of the Corporation be changed, and Articles V and VI hereof shall not be changed, altered or amended in any way whatsoever except as may be required to comply with the tax exempt requirements of the United States Treasury Department and the Internal Revenue Department then existing or as they may hereafter be amended. (Amended 7/27/81 and 1/27/89)

XII.

The private property of the directors, officers and members of this corporation shall be forever exempt from its debts and obligations.

XIII.

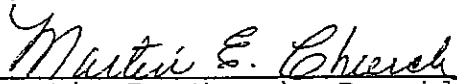
The highest amount of indebtedness or liability to which this corporation may at any time subject itself is two hundred thousand dollars (\$200,000). (Amended 4/4/89)

XIV.

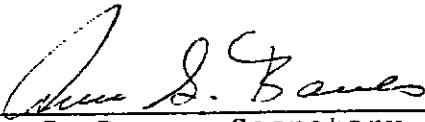
The Sun Lakes Homeowners Association #1, Inc. does reaffirm the appointment of James D. Graham of Tempe, Arizona, who has been a bona fide resident of the State of Arizona more than three (3) years last past, its lawful agent in and for the State of Arizona, for and in behalf of the said corporation to accept and acknowledge service of, and upon whom may be served all necessary process of processes against the said corporation in any of the courts of the said State of Arizona, such service of process or notice or the acceptance thereof by the agent endorsed thereon to have the same force and effect as if served upon the president and secretary of said corporation.

These Restated Articles of Incorporation were duly adopted by the Board of Directors at a meeting held May 8, 1989.

In witness, whereof, we the President and Secretary set our hands this 8th day of May, 1989.



Martin E. Church, President



Ann S. Banes, Secretary