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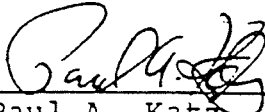
ARTICLES OF INCORPORATION

OF

CONTINENTAL RANCH COMMUNITY ASSOCIATION

ACCEPTANCE OF APPOINTMENT
BY STATUTORY AGENT

Pursuant to the provisions of Section 10-1008, Arizona Revised Statutes, the undersigned hereby acknowledges and accepts appointment as statutory agent of the above named corporation, effective this 25 day of February, 1988.



Paul A. Katz

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FEB 29 1988

APPR. *[Signature]*
TERM _____
DATE 3-23-88

ARTICLE I

NAME

203180

The name of the corporation is Continental Ranch Community Association.

ARTICLE II

PURPOSES

The primary purposes for which the corporation is formed are: (i) to act as the "Association" in accordance with and subject to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Continental Ranch, to be recorded in the official records of Pima County, Arizona, as the same may be amended from time to time (the "Declaration"); (ii) to acquire, construct, manage, maintain, preserve and care for the Common Areas of Continental Ranch; (iii) to perform all of the duties and obligations and to exercise all of the powers and privileges of the Association as set forth in the Declaration; and (iv) to do all other things and exercise all powers and rights of a corporation which are lawful and consistent with the foregoing purposes and the non-profit character of the corporation, including but not limited to the purposes set forth in Section 10-1005(A), Arizona Revised Statutes. Unless otherwise expressly provided herein, all capitalized terms used herein shall have the meanings set forth in the Declaration. Notwithstanding any other provisions of these Articles, if the corporation elects to qualify under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), the corporation shall not conduct or engage in any activity which would or could result in the revocation of its status as a corporation qualified under Section 501(c)(4) of the Code. The corporation does not contemplate securing any gain or profit to the Members of the corporation; the Members shall have no individual interest in the profits of the corporation, if any; and no part of the net earnings of the corporation, if any, shall inure (other than by acquiring, constructing or providing management, maintenance and care of association property, and other than by a rebate of excess Special Use Fees or Assessments) to the benefit of any Member of the corporation or other individual.

ARTICLE III

INITIAL ACTIVITY

The character of the business the corporation intends to conduct initially shall be to act as a property owners'

Ron A. Ober

Ron A. Ober

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1 association performing the duties, and exercising the rights,
2 of the Association set forth in the Declaration.

3 ARTICLE IV

4 MEMBERSHIP

5 The corporation shall be a non-stock corporation and
6 shall be owned by all of its Members. No dividends or pecuni-
7 ary profits shall be paid to the corporation's Members.
8 Membership in the corporation shall be limited to Owners
9 (including but not limited to persons who acquire title by
10 means of a sheriff's deed as the result of a mortgage foreclo-
11 sure, a trustee's deed as the result of the non-judicial fore-
12 closure of a deed of trust, or a deed in lieu of the
13 foreclosure of any mortgage or deed of trust), including
14 Declarant for so long as Declarant is a Class A or Class B
15 Member. All of the Owners, including Declarant for so long as
16 Declarant is a Class A or Class B Member, shall be Members of
17 the corporation. An Owner's Membership in the corporation
18 shall cease and terminate immediately upon the Owner's ceasing
19 to be an Owner. Membership shall be appurtenant to, and may
20 not be separated from ownership of, a Lot or Parcel. Neither
21 Membership in the corporation nor a Member's share, right,
22 title or interest in and to the funds and assets of the corpo-
23 ration can be transferred, assigned or hypothecated except as
24 an appurtenance to the Member's ownership of a Lot or Parcel.
25 Membership may be evidenced by an official list of Owners,
26 which list shall be kept by the secretary of the corporation.
Termination of Membership in the corporation shall be in accor-
dance with the Declaration and the Bylaws of the corporation.

16 The corporation shall have two classes of Members.
17 The Class A Members shall consist of all Owners except
18 Declarant until the conversion of Declarant's Class B
19 Membership to Class A Membership pursuant to Section 7.3.2 of
20 the Declaration (subject to the possible reinstatement of
21 Declarant's Class B Membership pursuant to Section 14.2 of the
22 Declaration, if applicable). A Class A Member shall have the
23 number of votes provided in Section 7.1 of the Declaration.
24 The Class B Member shall be Declarant. The Class B Member
25 shall have the number of votes provided in Section 7.3.2 of the
26 Declaration (subject to adjustment as provided in Section 14.2
of the Declaration, if applicable). The Class B Membership
shall automatically cease and be converted to Class A
Membership as provided in Section 7.3.2 of the Declaration
(subject to the possible reinstatement of Declarant's Class B
Membership pursuant to Section 14.2 of the Declaration, if
applicable).

1 served. The Board may revoke the appointment of such agent at
any time, and shall have the power to fill any vacancy.

2 ARTICLE XIV

3 DISSOLUTION

4 Upon dissolution of the corporation, or the winding up
5 of its affairs, the assets of the corporation shall be distrib-
6 uted exclusively to one or more other corporations or
7 organizations having purposes substantially similar to those of
8 the corporation and, if the corporation shall have elected to
9 qualify under Section 501(c)(4) of the Code, to charitable,
10 religious, scientific, literary or educational organizations
11 which would then qualify under the provisions of
Section 501(c)(4) of the Code, as the Board shall then elect.
Subject to and in accordance with the restrictions imposed by
the Declaration and by the VA or the FHA (to the extent such
organizations are involved in making, guaranteeing or insuring
loans secured by Lots or Parcels in Continental Ranch), the
corporation may be dissolved with the written consent of not
less than two-thirds of each class of Members then entitled to
vote.

12 ARTICLE XV

13 INCORPORATORS

14 The names and addresses of the incorporators are:

15 Paul A. Katz
16 c/o R.A. Homes, Inc.
17 Suite 240
2501 West Dunlap
Phoenix, Arizona 85021; and

18 Ron A. Ober
19 c/o R.A. Homes, Inc.
20 Suite 240
2501 West Dunlap
Phoenix, Arizona 85021.

21 IN WITNESS WHEREOF, we have hereunto set our hands
22 this 25 day of February, 1988.

23
24 
Paul A. Katz

1 Other limitations, privileges, obligations and rights
2 of Membership in the corporation are set forth in the
3 Declaration.

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ARTICLE V

BOARD OF DIRECTORS

The affairs of the corporation shall be conducted by a Board of Directors. The initial Board and each Board thereafter for so long as there is a Class B Member shall consist of three Members or other persons. Commencing with the first annual meeting of the Members when there is no longer a Class B Member, the Board shall consist of, and the voting Members shall elect, seven directors, all of whom must be Members (or individuals designated by corporate, partnership or other non-individual Members). The number of directors shall be subject to increase as provided in the Bylaws. The term of each director shall be for one year until there is no longer a Class B Member. Thereafter, the initial terms of the directors shall be four directors for a one-year term and three directors for a two-year term, thus establishing a staggered board. In succeeding years, each director shall be elected for a two-year term. Until the first meeting of the Members when there is no longer a Class B Member, and until their successors are designated or elected and qualified, Declarant shall have the right to appoint two directors and Silverado-Elektra Venture, Ltd., a Colorado joint venture, shall have the right to appoint one director. The following three persons shall constitute the initial Board of Directors of the corporation:

1. Stephen W. Arent
Silverado-Electra Venture, Ltd.
3900 East Mexican Avenue
Denver, Colorado 80210;
2. Ron A. Ober
c/o R.A. Homes, Inc.
Suite 240
2501 West Dunlap
Phoenix, Arizona 85021; and
3. Paul A. Katz
c/o R.A. Homes, Inc.
Suite 240
2501 West Dunlap
Phoenix, Arizona 85021.

1 precedent to lending funds upon the security of any Lot or
2 Parcel or purchasing loans secured thereby. Any such amendment
3 shall be effected by Declarant filing with the Arizona
4 Corporation Commission, in accordance with applicable law, a
5 Certificate of Amendment duly executed by Declarant specifying
6 the Agency or the lending institution requesting the amendment
7 and setting forth the requested or required amendment(s).
8 Filing of such a Certificate shall be deemed conclusive proof
9 of the Agency's or institution's request or requirement and
10 such Certificate, when filed, shall be binding upon all of the
11 Covered Property and all persons having an interest therein.
12 It is the desire of Declarant to retain control of the
13 Association and the Association's activities during the period
14 of planning and development of the Covered Property. If any
15 amendment requested or required pursuant to the provisions of
16 this Article deletes, diminishes or alters such control,
17 Declarant shall have the right to prepare, provide for and
18 adopt as an amendment hereto, other and different control pro-
19 visions which shall be binding upon the Covered Property and
20 Owners without a vote of the Owners.

11 ARTICLE XI

12 BYLAWS

13 The initial Bylaws shall be adopted by the Board
14 herein designated. Amendments, alterations and repeal of the
15 Bylaws may be made only as provided in the Bylaws. The Bylaws
16 and any amendments or alterations thereto shall be valid only
17 if consistent with the Declaration and these Articles.

16 ARTICLE XII

17 KNOWN PLACE OF BUSINESS

18 The known place of business of the corporation shall
19 be Suite 240, 2501 West Dunlap, Phoenix, Arizona 85021, or such
20 other place as may be designated from time to time by the
21 Board. In addition, different and other offices and places for
22 conducting business, both within and without the State of
23 Arizona, may be established from time to time by the Board.

21 ARTICLE XIII

22 STATUTORY AGENT

23 Paul A. Katz, c/o R.A. Homes, Inc., Suite 240, 2501
24 West Dunlap, Phoenix, Arizona 85021, who has been a bona fide
25 resident of the State of Arizona for at least three years, is
26 hereby appointed the initial statutory agent of the corporation
upon whom all notices and process, including summonses, may be

ARTICLE VI

NO PERSONAL LIABILITY

The private property of the Members, directors and officers of the corporation shall be forever exempt from the corporation's debts, obligations and liabilities, except as otherwise provided herein in A.R.S. § 10-1029, in the Declaration or the Bylaws.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Subject to the limitations set forth in Section 10-1005(C), Arizona Revised Statutes, the corporation shall indemnify any and all of its existing and former directors, officers and committee members (including, but not limited to, existing and former members of the Review Committee) against all expenses incurred by them and each of them, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against any one of them for or on account of any act or omission alleged to have been committed by such person while acting within the scope of his or her employment as a director, officer or committee member of the corporation, whether or not any action is or has been filed against the person and whether or not any settlement or compromise is approved by a court. Except as otherwise required by Section 10-1005(C)(4), Arizona Revised Statutes, whenever such a director, officer or committee member shall report to the President of the corporation or to the Board that he or she has incurred or may incur such expenses, the Board shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person: (i) acted, failed to act, or refused to act in good faith, or in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Upon an affirmative determination by the Board with respect to the foregoing, indemnification shall be mandatory and shall be automatically extended as specified herein to the extent permitted by Section 10-1005(C), Arizona Revised Statutes, provided, however, that the corporation 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

1 corporation, at its own expense and through Counsel of its own
choosing, to defend him or her in the action.

2 The liability of the officers and directors of the
3 corporation for breach of fiduciary duty is hereby eliminated
4 to the maximum extent permitted by law.

4 ARTICLE VIII

5 CONFLICT WITH DECLARATION AND OTHER LIMITATIONS

6 To the extent that any part or provision of these
7 Articles is contrary to or inconsistent with provisions of the
8 Declaration, the terms and provisions of the Declaration shall
9 prevail. As set forth in the Declaration, the corporation is
10 subject to certain limitations. No amendment hereof, nor any
11 action taken by the corporation pursuant hereto, shall be con-
12 trary to, or in conflict with, the limitations set forth in the
13 Declaration, and any such amendment or action shall be void to
14 the extent of such inconsistency.

11 ARTICLE IX

12 APPROVALS REQUIRED

13 For so long as there is a Class B Member, the follow-
14 ing actions will require the prior approval of the VA or the
15 -FHA to the extent such organizations are involved in making,
16 guaranteeing or insuring loans secured by Lots or Parcels in
17 Continental Ranch, unless such agencies have waived such
18 requirements: (i) annexation of additional properties into
19 Continental Ranch; (ii) mergers and consolidation; (iii) mort-
20 gaging of Common Areas; (iv) dedication of Common Areas; (v)
21 change in the configuration of the Common Areas; (vi) dissolu-
22 tion of the corporation; and (vii) amendment of these Articles.

18 ARTICLE X

19 AMENDMENTS

20 Subject to the provisions of Article VIII hereof, the
21 Members may, at any duly noticed and convened regular or
22 special meeting called for such purpose, amend, alter or repeal
23 any provision of these Articles by the affirmative vote of
24 three-quarters of the votes then entitled to be cast at such
25 election. Anything in this Article to the contrary notwith-
26 standing, Declarant reserves the right to amend these Articles
as may be requested or required by the FHA, VA or any other
Agency with whom Declarant elects to do business as a condition
precedent to such Agency's approval of these Articles, or by
any federally chartered lending institution as a condition