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ARTICLES OF INCORPORATION

OF

CORAL POINT COMMUNITY ASSOCIATION, INC.

Donna Green
6/28/2006

In compliance with the requirements of § 10-3101 et seq., Arizona Revised Statutes, as amended, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a corporation not for profit, and do hereby certify:

ARTICLE I

NAME

The name of the corporation is Coral Point Community Association, Inc. *out*

ARTICLE II

PRINCIPAL OFFICE

The principal office of the corporation shall be located at 4620 North 16th Street, Suite E111, Phoenix, Arizona 85016-5148.

ARTICLE III

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meaning specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Coral Point recorded with the County Recorder of Maricopa County, Arizona, as instrument 85-65783, official records, and the First Amendment to said Covenants, Conditions and Restrictions recorded as instrument 86-406252, official records.

ARTICLE IV

STATUTORY AGENT

Cliff Ulman, whose address is 4620 North 16th Street, Suite E111, Phoenix, Arizona 016-5148., is hereby appointed and designated Statutory Agent for the corporation, for the

State of Arizona, upon whom service of process may be had. This appointment may be revoked at any time by the filing of the appointment of another agent.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to provide for the acquisition, construction, management, maintenance and care of the Common Area and other property owned by or to be maintained by the Association or property placed under its jurisdiction. In furtherance, and in order to accomplish the foregoing object and purpose, the Association may transact any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI

THE CHARACTER OF THE BUSINESS

The general nature and character of the business to be transacted by the Association shall be as follows:

(a) To own, operate, repair and maintain the Common Area and all other property and improvements to be used in common by and for the benefit of the Owners of Lots within the real property described in Exhibit A attached hereto, including private streets, and any additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation of additional property as provided in the Declaration;

(b) To accept the Common Area and such other property and improvements as may be conveyed to the Association and to maintain, repair, and replace all landscaping, parking areas, walk areas, recreational areas, facilities and private streets upon such Common Area; to pay all taxes and assessments, if any, which may properly be levied against the Common Area or other property acquired by or owned by the Association; to impress liens against the individual Lots to secure the payment of assessments and other obligations due from the Owners thereof to the Association and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said demands, and to do all other acts necessary to the filing, maintenance and discharge of said liens; to take any action necessary to enforce the Association, at any time, and from time to time, shall in its discretion, deem to be in the best interests of the Members, and to pay all costs and expenses in connection therewith and in connection with any and all the purposes of the Association; to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the Association under and by virtue of any condition, covenant, restriction, reservation, charge or assessment affecting the 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 Members; and further, to do any and all things and exercise all rights and powers permitted to nonprofit corporations under the laws of the State of Arizona, including the power to mortgage or encumber any property owned by it and to take any action necessary to enforce the Project Documents;

(c) To enter into, perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purpose of the Association;

(d) To borrow and loan money, and give, take and hold security and collateral, to execute, make and issue and take and receive bonds, notes, debentures, mortgages, pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business;

(e) To make contracts of all kinds and descriptions with third parties, firms and corporations;

(f) To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental to or convenient in carrying out of any of the business or purposes of the Association, including, without limitation, all acts necessary to perform all obligations and duties of the Association under the Project Documents.

ARTICLE VII

MEMBERSHIP

Identity of Members. The Association shall be a non-stock corporation and no stock shall be issued and no dividends or pecuniary profits shall be paid to its members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically, upon becoming the Owner thereof, be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

Transfer of Membership. Membership in the Association shall be appurtenant to each lot and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VIII

VOTING RIGHTS

Classes of members. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, of lots. Each Class A member shall be entitled to one (1) vote for each lot owned.

Class B. The Class B member shall be the Declarant and/or Declarant's Optionee(s) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever is the first to occur:

(a) when the total votes outstanding in the class A membership equal the total votes outstanding in the Class B membership;

(b) three (3) years following conveyance of the first Lot to a Purchaser, other than Declarant's Optionee, in the event no part of the Annexable Property has been annexed and become subject to this Declaration within such three (3) year period; or, in the event all or any part of the Annexable Property has been annexed and become subject to this Declaration within such three (3) year period, five (5) years following conveyance of the first Lot to a Purchaser, other than Declarant's Optionee, by Declarant or Declarant's Optionee; or

(c) when Declarant and/or Declarant's Optionee, as the case may be, notifies the Association in writing that it relinquishes its Class B membership.

Joint Ownership. When more than one person is the Owner of any lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The votes on each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint 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 Owner casts a ballot presenting a certain Lot, 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 Lot. In the event more than one ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Corporate Ownership. In the event any Lot is owned by a corporation, partnership, other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to exercise the vote said membership, and in the absence of such designation and until such designation is

made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the Board shall designate who shall have the power to vote.

Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorney's fees, are brought current, and for a period not to exceed sixty (60) days for any infractions of the Project Documents.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be conducted by a board of directors and such officers and committees as the directors may elect and appoint. So long as there is a Class B membership in the Association, the directors need not be Members of the Association. After the termination of the Class B membership, all directors must be members of the Association. The number of directors constituting the initial Board shall be seven (7). The names and address of the initial directors of the Association are as follows:

| <u>NAME</u> | <u>MAILING ADDRESS</u> |
|-------------------|--|
| Sam Adkins | 1421 West Clear Spring Drive Gilbert, Arizona 85233 |
| Pete Stewart | 1346 West Clear Spring Drive Gilbert, Arizona 85233 |
| Jan Williams | 1338 West Clear Spring Drive Gilbert, Arizona 85233 |
| Rick Eissinger | 1330 West Clear Spring Drive Gilbert, Arizona 85233 |
| Brent Stolworthy | 1418 West Clear Spring Drive Gilbert, Arizona 85233 |
| Caroline Aldridge | 1325 West Port A Sail Gilbert, Arizona 85233 |

NAME

MAILING ADDRESS

Arnold Hillam

621 South Paradise Drive
Gilbert, Arizona

The initial directors shall serve until the first annual meeting of the Members and until their successors have been elected and qualified.

Any vacancy occurring on the board by reason of death, resignation or disqualification of any director shall be filled by the remaining directors, and such replacement director to serve the unexpired portion of the prior directors term.

The board is expressly authorized to adopt Bylaws for the Association, by a majority vote of the members of the board, at a regular or special meeting called therefore.

ARTICLE X

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 and until their successors have been elected and qualified:

| | |
|-----------------|----------------|
| Sam Adkins | President |
| Charles Stewart | Vice-President |
| Jan Williams | Secretary |
| Rick Eissinger | Treasurer |

ARTICLE XI

DISSOLUTION

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

ARTICLE XII

AMENDMENTS

These Articles may be amended by the affirmative vote of the Owners of at least seventy-five percent (75%) of the Lots; provided, however, that the Board, or the Declarant so long as the Declarant owns any Lot in the Project, without a vote of the Members and without complying with the provisions of Article XIII of the Declaration, may amend these Articles in order to (i) conform these Articles to the requirements of guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corp., the Federal Housing Administration or the Veterans Administration, or (ii) comply with any condition imposed by any lending institution as a condition to lending funds upon the security of any Lot.

ARTICLE XIII

INCORPORATORS

The names and addresses of the incorporators of the Association are:

| <u>NAME</u> | <u>MAILING ADDRESS</u> |
|-----------------|--|
| Sam Adkins | 1421 West Clear Spring Drive Gilbert, Arizona 85233 |
| Charles Stewart | 1346 West Clear Spring Drive Gilbert, Arizona 85233 |
| Jan Williams | 1338 West Clear Spring Drive Gilbert, Arizona 85233 |
| Rick Eissinger | 1330 West Clear Spring Drive Gilbert, Arizona 85233 |

ARTICLE XIV

LIMITATIONS OF LIABILITY

In accordance with the provisions of the Nonprofit Corporation Act (set forth at A.R.S. § 0-3101 et seq., as may be amended from time to time), each Director shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or mission resulting in damage or injury if said Director was acting in good faith and within the scope of his official capacity (which is any decision, act, or event undertaken by the Association

in furtherance of the purpose or purposes for which it is organized) unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Director. This provision intends to give all Directors the full extent of immunity available under the Nonprofit Corporation Act.

ARTICLE XV

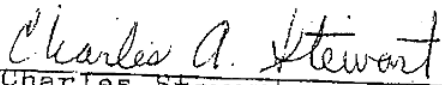
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND AGENTS

The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact that he or she is or was an officer, director, or agent of the Corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law; provided, however, that the Corporation shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

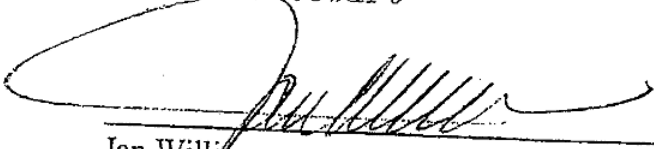
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of the Association, have executed these Articles of Incorporation this 31 day of MAY, 2000.



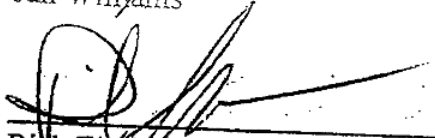
Sam Adkins



Charles Stewart



Jan Williams



Rick Eissinger

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named Corporation effective this 31st day of May, 2000.

Signed: _____

[Handwritten signature]