

ARTICLES OF INCORPORATION
OF
LAKE MIRAGE HOMEOWNERS ASSOCIATION

SECRETARY COMMISSION
STATE OF AZ.

OCT 5 3 35 PM '87

Amended
DATE: 10/5/87

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The undersigned hereby voluntarily sets forth the following statements for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopts these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is LAKE MIRAGE HOMEOWNERS ASSOCIATION, hereinafter called the "Association."

ARTICLE II

KNOWN PLACE OF BUSINESS

The address of the Association's known place of business is 7745 E. Redfield, Suite 600, Scottsdale, Arizona 85260.

ARTICLE III

STATUTORY AGENT

Gary A. Oman, whose address is 1208 West 8th Street, Mesa, Arizona 85201, is hereby appointed the initial statutory agent of the Association.

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed is to serve as the governing body for all the Owners of Lots in that development known as Lake Mirage (the "Development"); and to promote the peace, comfort, safety and general welfare of the Owners and Occupants within the Development.

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In the conduct of its business, the Association shall, to the extent authorized by its Board of Directors, have the power to do all things that a private person or individual might do under the laws of the State of Arizona, including but not limited to the following:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") applicable to the Development and recorded in the Office of the County Recorder, Maricopa County, Arizona, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes or other governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase, foreclosure or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property in connection with the affairs of the Association, including, but not limited to, a lot acquired through foreclosure proceedings;

(d) grant easements over, across or under all or any part of the Common Area for public utility or other public purpose;

(e) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V

INITIAL BUSINESS

The character of business that the Association initially intends to actually conduct in this state is the administration of the Lots and Common Area in the Development described above.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of equitable title (or legal title if equitable title has

merged) in any Lot which is subject by the Declaration to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. A membership in the Association shall not be transferred, pledged or alienated in any way except by the sale of such Lot and then only to such purchaser who shall automatically become a member of the Association after such conveyance, or by interstate succession, testamentary disposition, foreclosure of a mortgage or record, or other legal process.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. In the event any such Lot is owned by two (2) or more persons, the membership as to such Lot shall be joint, and a single membership for such Lot shall belong to all Owners of said Lot, and they shall designate to the Association in writing one of their number who shall have the power to vote said membership, and in the absence of such designation, and until such designation is made, the Board shall make such designation. In no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), 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 at such time as provided for in the Declaration.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board composed initially of three (3) Directors. So long as there is a Class B membership, the Directors need not be members of the Association. The number of Directors may be adjusted to include up to nine (9) but not less than three (3) Directors by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

NAME

ADDRESS

Steven P. Oman

7745 E. Redfield Rd.
Suite 600
Scottsdale, AZ 85260

Gary A. Oman

7745 E. Redfield Rd.
Suite 600
Scottsdale, AZ 85260

Thomas C. LaVoy

7745 E. Redfield Rd.
Suite 600
Scottsdale, AZ 85260

At the first annual meeting the members shall elect three Directors, each of whom shall serve for a term of one year. The Directors shall hold office until the next annual meeting or until their successors have been elected and qualified.

Any and all vacancies on the Board of Directors may be filled by the remaining Directors and the person so chosen to fill a vacancy shall serve during the unexpired term of his predecessor or until his successor shall be elected and qualified.

ARTICLE IX

OFFICERS

The affairs of the Association shall be administered by officers elected by the Board of Directors at its first meeting, and at each successive meeting of the Board of Directors following the annual meeting of the members of the Association, or at other meetings called for such purpose, which officers shall serve at the pleasure of the Board of Directors. The officers shall consist of a President, Vice President, Secretary and Treasurer. The initial officers of the Corporation shall be:

Steven P. Oman
Gary A. Oman
Thomas C. LaVoy

President
Vice President
Secretary/Treasurer

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any person against expenses including without limitation, attorneys' fees,

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judgments, fines and amounts paid in settlement, actually and reasonably incurred by reason of the fact that he or she is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, in all circumstances in which, and to the extent that, such indemnification is specifically permitted and provided for by the laws of the State of Arizona as then in effect.

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the consent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, no part of the remaining assets of the Association, after the discharge of all corporate liabilities, shall inure to the private profit, benefit or advantage of any current or past member, director or officer, but the whole of such remaining assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created, or, alternatively, such assets shall be granted, conveyed and assigned to such nonprofit corporations, associations, trusts or other organizations which are exempt from taxation under the provisions of Section 501(c)(4) or Section 528 of the Internal Revenue Code of 1954 as now or hereafter amended and which are devoted to similar purposes.

ARTICLE XII

DURATION

The Association shall exist perpetually.

ARTICLE XIII

AMENDMENT OF ARTICLES

Amendment of these Articles shall require the assent of sixty-six and two-thirds percent (66-2/3%) of each class of members.

ARTICLE XIV

AMENDMENT OF BYLAWS

The Board of Directors shall have the power to amend

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the Bylaws of th Association and such power shall be exercised as set forth in the Bylaws.

ARTICLE XV
INCORPORATOR

The name and address of the incorporator is:

Steven P. Oman 7745 E. Redfield Rd.
Suite 600
Scottsdale, AZ 85260

All powers, duties and responsibilities of the incorporator shall cease upon filing of these Articles of Incorporation by the Arizona Corporation Commission.

ARTICLE XVI
CONFLICT WITH DECLARATION

In the event any provision of this instrument is inconsistent with or more permissive than any provision of the Declaration dealing with the same subject, the Declaration shall control and this instrument shall be interpreted accordingly.

DATED this 25th day of September, 1987.


Steven P. Oman

INCORPORATOR

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 25th day of September, 1987, by Steven P. Oman.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My commission expires:

4-29-91

**ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION**

Phoenix Address: 1200 West Washington
Phoenix, Arizona 85007

Tucson Address: 402 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE
A.R.S. Sections 10-125 & 10-1084

PLEASE SEE REVERSE SIDE

LAKE MIRAGE HOMEOWNERS ASSOCIATION
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:**
- 1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.**
 - 2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.**
 - 3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:**
 - (a) involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

- B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:**
- 1. Full name and prior name(s) used**
 - 2. Full birth name**
 - 3. Present home address.**
 - 4. Prior addresses (for immediate preceding 7-year period)**
 - 5. Date and location of birth**
 - 6. Social Security number.**
 - 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.**

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION
A.R.S. Sections 10-125 01 and 10-1083

C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) in a stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES _____ NO _____

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- 1. Name and address of the corporation**
- 2. Full name, including alias and address of each person involved**
- 3. State(s) in which the corporation**
 - (a) Was incorporated
 - (b) Has transacted business
- 4. Dates of corporate operation.**
- 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.**

OCT 27 1987

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete.

State of ARTZONA
County of MARICOPA

BY Steven P. Owen DATE 10/5/87
TITLE _____

Subscribed, sworn to and acknowledged before me this
5th DAY of October, 1987.

BY _____ DATE _____
TITLE _____
FISCAL DATE 12-31

Thomas C. LaVey
NOTARY PUBLIC

My Commission expires 4-29-91

Inc 0201 - Domestic