

AZ. CORP. COMMISSION
FOR THE STATE OF AZ.
FILED

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NONPROFIT AMENDMENT
ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

0121227-4
COLONIA ENCANTADA HOMEOWNERS ASSOCIATION, INC.

AZ. CORP. COMMISSION
FOR THE STATE OF AZ.
FILED

JUN 15 3 44 PM '93

APPR. JH
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Pursuant to the provisions of Title 10, Section 1002 et seq. ARS, to the provisions of Title 10, the Arizona Nonprofit Corporation Act, and particularly to Sections 10-1034, 10-1035 and 10-1036 ARS, the undersigned Corporation adopts the attached Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the Corporation is COLONIA ENCANTADA HOMEOWNERS ASSOCIATION, INC.

SECOND: The document attached hereto as Exhibit A sets forth the amendments to the Articles of Incorporation which were adopted by a majority of the members of the Corporation on March 30, 1993, in the manner prescribed by the Arizona Nonprofit Corporation Act.

THIRD: The resolution of the Board of Directors to amend the Articles of Incorporation and directing that the proposed amendments be submitted to a meeting of the Members of the Corporation was duly adopted on the 11th day of March, 1993.

FOURTH: The resolution of the Members to Amend the Articles of Incorporation by the adoption of the Articles of Amendment to the Articles of Incorporation was duly adopted by a vote of 58 Members in favor and no Members against, with 58 Members of the 79 Members being represented in person or by proxy, at the meeting held on this 30th day of March, 1993, for that purpose, after due notice of said meeting and in full compliance with the Arizona Nonprofit Corporation Act.

DATED the 30th day of March, 1993.

Attest:

COLONIA ENCANTADA HOMEOWNERS
ASSOCIATION, INC.

Frank West
Frank West, Secretary

By *Thomas E. Long*
Thomas E. Long, President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30th day of March, 1993, by Thomas E. Long, President and Frank West, Secretary, of Colonia Encantada Homeowners Association, Inc., an Arizona Nonprofit Corporation, on behalf of said Corporation.

Jackie Baxter
NOTARY PUBLIC

My Commission Expires:



**AMENDED AND RESTATED ARTICLES
TO THE
ARTICLES OF INCORPORATION OF
COLONIA ENCANTADA HOMEOWNERS ASSOCIATION, INC.**

1. **ARTICLE 1 is amended to read as follows:**

ARTICLE 1

NAME. The name of the Corporation shall be: Colonia Encantada Homeowners Association which shall hereinafter be referred to as the "Association."

2. **ARTICLE II is amended to read as follows:**

ARTICLE II

PRINCIPAL OFFICE. The principal office of the Association is located at 7500 East McCormick Parkway, Scottsdale, Arizona 85258.

3. **ARTICLE III is amended to read as follows:**

ARTICLE III

STATUTORY AGENT. Jeanine O. Dawson, whose address is 7500 East McCormick Parkway, Scottsdale, Arizona 85258, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated as statutory agent for the Association, upon whom service of process may be had. The appointment and any subsequent appointment may be revoked at any time, and a new appointment may be made, when the appointment is made by the act of the Board of Directors or by the act of the Members of the Association.

4. **ARTICLE IV is amended to read as follows:**

ARTICLE IV

PURPOSE OF THE ASSOCIATION.

- a. The object and purpose for which this Association is

organized are to act as a tax-exempt homeowners association in accordance with Section 528 of the Internal Revenue Code, as Amended, and in accordance with the Nonprofit Corporation Act of the State of Arizona, as Amended, and in accordance with all other applicable laws and regulations, and in accordance with the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Association.

b. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its Members, directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes for which it was formed. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Association shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Association shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954, as Amended, (or the corresponding provision of any future United States Internal Revenue Law) or, (ii) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954, as Amended, (or the corresponding provision of any future United States Internal Revenue Law).

5. ARTICLE V is amended to read as follows:

ARTICLE V

POWERS. The Association shall have all of those powers provided by law including, without limitation, those set forth in Section 10-1005 ARS, as may be amended, those powers provided elsewhere pursuant to the Laws of the State of Arizona, those powers necessary or convenient to affect the purposes of the Association, those powers provided by these Articles of Incorporation, as Amended, and those powers specifically set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions, recorded as Document No. 88 593236 on December 6, 1988, in the Official Records of Maricopa County, Arizona, which document may be referred to hereinafter as "Declarations."

6. ARTICLE VI is amended to read as follows:

ARTICLE VI

CHARACTER OF THE BUSINESS. The character of the business which this Association intends to conduct in Arizona is to provide for the management, maintenance and care of the common area of the Property of the Association, as described in Exhibit One and to promote and protect the common good and general welfare of the people who shall lawfully reside within the community encompassed within the Property of the Association, which will be accomplished by the preservation and maintenance of the architecture, ecology and aesthetic beauty of the common area and the lots included within the Property, together with any additions thereto and subject to the Declarations.

7. ARTICLE VII is amended to read as follows:

ARTICLE VII

MEMBERSHIP. Every person or entity who is a record owner of any lot which is subject to the Declarations 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 a lot described in Exhibit A.

8. ARTICLE VIII is amended to read as follows:

ARTICLE VIII

VOTING.

- a. The Association shall have only one class of voting membership.
- b. All owners shall be Members and shall be entitled to one (1) vote for each lot owned within the Property. When more than one person owns an interest in any lot, as evidenced by a good and sufficient deed

thereto, all such persons shall be Members but the vote for such lot shall be exercised as the owners thereof among themselves shall determine, but in no event shall more than one vote be cast with respect to any lot.

c. The vote for each lot must be cast as a unit and fractional votes shall not be allowed.

d. In the event that joint owners are unable to agree among themselves as to how their vote shall be cast for the lot that is owned by them, they shall lose their right to vote on the matter in question. Neither the other Members, the Board of Directors nor the Judges of Election shall be permitted under any circumstance to decide any dispute between the multiple owners of a single lot.

e. If a vote is cast for a lot, it shall be conclusively presumed for all purposes that the vote was cast with the authority and consent of all of the owners of the lot for which it was cast. If more than one ballot is cast for the vote of a particular lot, all ballots so cast shall be deemed null and void and shall not be counted.

f. Cumulative voting shall not be permitted.

g. Voting may be by a proxy signed by any one of the owners of the lot to be represented by the proxy.

9. ARTICLE IX is amended to read as follows:

ARTICLE IX

BOARD OF DIRECTORS:

a. The affairs of the Association shall be conducted by a Board of Directors composed of Members of the Association, who shall be elected by Members of the Association, except as provided herein, and by officers who shall be elected and appointed by the Board of Directors. Officers may serve without being required to be members of the Association.

b. The number of Directors shall be not less than three (3) in number nor more than eleven (11) in number. Until changed the number

of directors shall be five (5) in number but the number may be fixed from time to time by an amendment to the Bylaws by the membership or by a vote of the membership.

c. Directors will be elected to serve for a period of two (2) years, with two (2) Directors to be elected in even numbered years and with three (3) Directors to be elected in odd numbered years.

d. No Director may serve two successive terms, except when one of such terms occurs as the result of being appointed to fill the remainder of the unexpired term of a vacancy.

e. Any vacancy occurring in the Board of Directors may be filled by an affirmative vote of a majority of the remaining Directors, although there may be less than a quorum, or by a sole remaining Director, and the Director so chosen shall hold office until the next election of Directors, when his successor is elected and qualified. A newly created directorship shall be deemed to be a vacancy. If a vacancy exists at the time of an annual meeting of the Members, the vacancy shall be filled by the Members.

f. A Director may be removed from office at any meeting of the Members of the Association by the vote of a majority of the Members present and entitled to vote at the meeting.

g. The names, residences and post office addresses of the present Board of Directors are as follows:

<u>Name</u>	<u>Residence</u>	<u>Post Office Addresses</u>
Thomas E. Long	7500 E. McCormick Parkway #19 Scottsdale, Arizona 85258	Same
Jeanine O. Dawson	7500 E. McCormick Parkway #70 Scottsdale, Arizona 85258	Same
Donna Qualmann	7500 E. McCormick Parkway #6 Scottsdale, Arizona 85258	Same

Irvin Koenig	7500 E. McCormick Parkway #20 Scottsdale, Arizona 85258	Same
Frank West	7500 E. McCormick Parkway #68 Scottsdale, Arizona 85258	Same

10. ARTICLE X is amended to read as follows:

ARTICLE X

MEETINGS.

a. Meetings of the Members shall be held annually and in no event later than thirteen (13) months after the last meeting.

b. The date, time and place of meetings may be fixed by the Bylaws or by act of the Board of Directors at a time different from that fixed by the Bylaws.

c. A special meeting of the Members may be called by the Board of Directors, or by Members having at least one-tenth (1/10th) of the votes entitled to be cast at such meeting, or by Members having at least one-tenth (1/10th) of the votes actually cast at the last previous meeting. A special meeting of the Members may be called by any two (2) directors (or by one (1) director, if only one (1) is then serving), when there has been a lapse of thirteen (13) months since the last annual meeting and when a meeting date has not been fixed by the Superior Court of Maricopa County, State of Arizona.

d. Notice of meetings of Members shall be in writing.

e. The written notice shall state the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, and shall be mailed or delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting. The mailing or delivery shall be at the direction of an officer of the Association or by the authority by which the meeting is called. If mailed, such notice shall be addressed to the Member as the address appears on the records of the Association. Delivery shall be by personal service or by deposit at the

Association entry mail box of a Member who is in residence at the time of the notice.

f. A quorum will be constituted by Members present or represented by proxy holding one-tenth (1/10th) of the votes entitled to be cast.

g. No further notice shall be required to reconvene any recessed or adjourned meeting.

11. ARTICLE XI is amended to read as follows:

ARTICLE XI

DISSOLUTION. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of its assets exclusively for the purposes of the Association in such manner, or to such organizations organized and operated exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954, as Amended (or the corresponding provisions of any future United States Internal Revenue Laws), as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Association is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes. In no event will the disposition deprive the Members and their property of the benefit of the common areas of the Association.

12. ARTICLE XII is amended to read as follows:

ARTICLE XII

AMENDMENTS. Amendment of these Articles shall require the assent of two-thirds (66-2/3%) of the votes entitled to be cast by the Members of the Association at a meeting duly called for that purpose.

13. ARTICLE XIII is amended to read as follows:

ARTICLE XIII

ASSESSMENT.

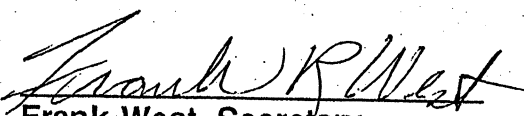
a. For the purpose of providing necessary funds for carrying out the purposes of this Association, as aforesaid, the Members shall be subject to assessments which are determined in accordance with the Declarations and payable and enforceable in the manner set forth in the Declarations, as the Declarations may be amended from time to time.

b. Notice of meetings held for the purpose of assessments or for the fixing of dues shall be held in accordance with the requirements of the Declarations.

DATED this 30th day of March, 1993.

ATTEST:

COLONIA ENCANTADA HOMEOWNERS
ASSOCIATION, INC.


Frank West, Secretary

By 
Thomas E. Long, President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30th day of March, 1993, by Thomas E. Long, President and Frank West, Secretary, respectively, of Colonia Encantada Homeowners Association, Inc., an Arizona Nonprofit Corporation, on behalf of said corporation.

Jackie Baxter

Notary Public

My Commission Expires:

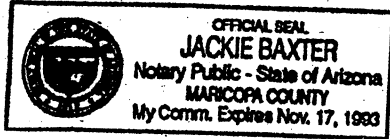


EXHIBIT ONE

DESCRIPTION OF PROPERTY

Lot: 1 through 42, inclusive, and Tracts A through C, inclusive, CUERNAVACA SEGUNDO TOWNHOUSES according to the plat recorded in Book 193 of Maps, Page 11, records of Maricopa County, Arizona.

Lots 43 through 60, inclusive, Lots 63 through 79, inclusive, and Tracts A through E, inclusive, CUERNAVACA SEGUNDO Unit Two, according to the plat recorded in Book 212, Page 15, records of Maricopa County, Arizona.

Lots 61 and 62, inclusive, and Tracts A through C, inclusive, CUERNAVACA SEGUNDO Unit Three according to the plat recorded in Book 220, Page 17, Records of Maricopa County, Arizona.