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ARTICLES OF INCORPORATION  
OF  
PARADISE MANOR ASSOCIATION

FEB 27 1987

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, voluntarily associated ourselves together at a meeting held at 4820 South Mill Avenue, Tempe, Arizona 85282, at 10:00 o'clock a.m. on February 25, 1987, for the purpose of forming a private, non-profit corporation, the object of which is not pecuniary profit, having the purpose hereinafter set out, under and pursuant to Chapter 5, Title 10 of the Arizona Revised Statutes, and for the further purpose of electing directors for said corporation. We do hereby adopt the following Articles of Incorporation:

1. Name: The name of the corporation shall be PARADISE MANOR ASSOCIATION (hereinafter referred to as the "Association").

2. Purpose: The Association is organized and shall be operated for the purposes set forth for the "Association" in that certain Declaration of Covenants, Conditions and Restrictions for Paradise Manor (the "Declaration") recorded on February 24, 1987, at Recorder's No. 87-108169, in the office of the Maricopa County, Arizona Recorder, including, but not limited to, the acquisition, construction, management, maintenance and care of association property, provided, however, that the foregoing shall not be construed as a limitation on the activities and businesses in which the Association may ultimately engage. (Except as expressly set forth herein, capitalized terms shall have the meanings assigned to them in the Declaration.)

3. Business: The Association initially intends to engage in the following activities (which shall be construed as the character of the non-profit business which the Association initially intends to conduct in the State of Arizona):

a. Provide for the acquisition, construction, management, maintenance and care of association property; and

b. Perform all matters to be performed by the "Association," as that term is used in the Declaration.

Such initial intention shall in no manner whatever limit the character of the activities and businesses in which the Association may ultimately engage.

1           4.     Authorized Stock: The Association shall have no  
2 capital stock.

3           5.     Statutory Agent: The name and address of the  
4 initial statutory agent of the Association is C. Randall Bain,  
5 222 North Central Avenue, P. O. Box 400, Phoenix, Arizona 85001.

6           6.     Known Place of Business. The known place of  
7 business of the Association shall be 4820 South Mill Avenue,  
8 Tempe, Arizona 85282, but different and other offices and  
9 places for conducting business, both within and without the  
10 State of Arizona, may be established from time to time by the  
11 Board.

12           7.     Board of Directors; Annual Meetings of Members:  
13 The business and affairs of the Association shall be conducted  
14 by a Board of Directors (herein referred to as the "Board").  
15 The annual meetings of the Members of the Association shall be  
16 held on the third Thursday of March in each year, commencing  
17 with Thursday, March 17, 1988, or such other time as the Board  
18 shall designate. The following three persons, elected by the  
19 incorporators at a meeting held on February 25, 1987, at  
20 Tempe, Arizona, shall constitute the Board and shall serve in  
21 such capacity until their successors are elected and qualified:

22                     Brian Brady  
23                     4820 South Mill Avenue  
24                     Tempe, Arizona 85282

25                     Marshall Eichenauer, Jr.  
26                     4820 South Mill Avenue  
                      Tempe, Arizona 85282

                      Ron Schulz  
                      4820 South Mill Avenue  
                      Tempe, Arizona 85282

27     Otherwise, the number of persons to serve on the Board shall be  
28 fixed by the Bylaws but in no event shall it be less than three  
29 or more than seven; further, each member of the Board shall be  
30 elected for such term as shall be fixed by the Bylaws,  
31 provided, however, that in no event shall any change in the  
32 length of such term effected by an amendment to the Bylaws be  
33 applied so as to shorten the term being served by any member of  
34 the Board at the time such amendment is adopted. No person  
35 shall be eligible for election as a director who is not at the  
36 time of election a Member of the Association, except such  
37 persons as may be designated by the Developer or by a corporate  
38 partnership or other non-individual Owner. If, after

1 election: (a) any director except for a director designated by  
2 the Developer or by a corporate, partnership or other  
3 non-individual Owner ceases to be a Member, he or she shall  
4 thereupon cease to be a director and his or her office shall  
5 become vacant; or (b) a corporation, partnership or other  
6 non-individual entity ceases to be a Member, any director  
7 serving by virtue of having been designated for election by  
8 such corporation, partnership or other non-individual entity  
9 shall thereupon cease to be a director and his or her office  
10 shall become vacant.

11 8. Quorum: A quorum at a meeting of the Board shall  
12 consist of one-half (1/2) of the number of the directors then  
13 serving (except that if three (3) directors are then serving, a  
14 quorum shall be two (2), and if one (1) director is then  
15 serving, a quorum shall be one (1)). Except as may otherwise  
16 be provided by applicable law or by the Declaration (and, in  
17 particular, except with respect to the imposition of Special  
18 Assessments or certain increases in the Maximum Annual -  
19 Assessment with respect to which a quorum at a meeting of  
20 Members is to be determined as provided in the Declaration), a  
21 quorum at a meeting of Members shall consist of Members holding  
22 ten percent (10%) of the votes in each class of Members  
23 (whether represented in person or by valid proxy).

24 9. Incorporators: The names and addresses of the  
25 incorporators of the Association are:

26 Brian Brady  
4820 South Mill Avenue  
Tempe, Arizona 85282

Marshall Eichenauer, Jr.  
4820 South Mill Avenue  
Tempe, Arizona 85282

10. Net Earnings: No part of the net earnings of the  
Association shall inure (other than by acquiring, constructing  
or providing management, maintenance and care of association  
property, and other than by a rebate to Members of excess  
membership dues, fees and assessments (and not net earnings))  
to the benefit of or be distributable to any Member, director  
or officer of the Association, or to any private individual,  
except that reasonable compensation may be paid for services  
rendered to or for the Association and other payments and  
disbursements may be made in furtherance of one or more of its  
purposes. Upon the dissolution of the Association, the assets  
of the Association, whether real or personal, after rebate to  
Members of excess membership dues, fees and assessments (and  
not net earnings), shall be dedicated to an appropriate public

1 agency or utility to be devoted to purposes as nearly as is  
2 practicable the same as those to which they were required to be  
3 devoted by the Association. In the event that such dedication  
4 is refused acceptance, such assets shall be granted, conveyed  
5 and assigned to any non-profit corporation, association, trust  
6 or other organization to be devoted to purposes as nearly as is  
7 practicable the same as those to which they were required to be  
8 devoted by the Association.

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10 11. Members: The Members of the Association and  
11 their voting rights shall be determined in the manner set forth  
12 in the Declaration.

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14 12. Amendments: The Articles and Bylaws may only be  
15 amended by following the procedure hereinafter set out and by  
16 complying, to the extent applicable, with the Declaration. The  
17 Board shall adopt a resolution setting forth the proposed  
18 amendment and directing that it be submitted to a vote at a  
19 meeting of Members, which may be either an annual or a special  
20 meeting, and if approved by Members holding (either personally  
21 or by valid proxy) the Applicable Percentage (defined below) of  
22 the votes eligible to be cast on the amendment (including votes  
23 otherwise eligible to be cast but not represented personally or  
24 by valid proxy at such meeting), such amendment shall have been  
25 adopted, provided, however, that a copy of any such proposed  
26 amendment or a summary of the changes to be effected shall have  
been given to each Member in good standing at least ten (10)  
days prior to said meeting of the Members. For purposes  
hereof, the "Applicable Percentage" shall mean, in the case of  
an amendment to the Articles, sixty-seven percent (67%), and in  
the case of an amendment to the Bylaws, fifty-one percent  
(51%). Any number of amendments may be submitted and voted  
upon at any one meeting. Notwithstanding the foregoing, so  
long as the Class "B" membership is in existence, the following  
actions shall require the prior approval of the Federal Housing  
Administration and the Veterans Administration: (a) amendment  
of these Articles or the Bylaws; (b) dissolution of the  
Association; (c) merger or consolidation of the Association  
with any other entity; (d) dedication by the Association of any  
or all of the Common Area; and (e) annexation of any additional  
properties to the Property.

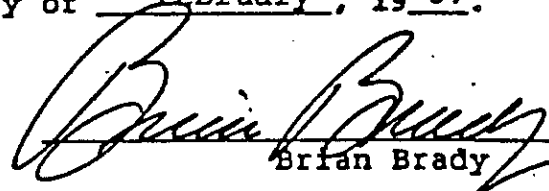
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28 13. Private Property: Private property of the  
29 incorporators, Members, directors and officers of the  
30 Association shall be forever exempt from all corporate debts of  
31 any kind whatsoever, provided, however, that nothing contained  
32 in this Article shall limit the liability of Members' property  
33 for payment of Assessments levied by the Association.

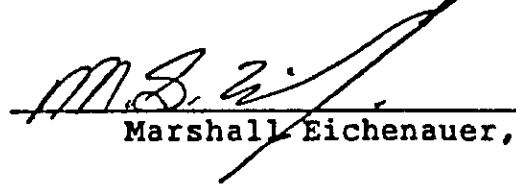
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35 14. Fiscal Year: The fiscal year of the Association  
36 shall run from January 1 through December 31 of each year.

1           15.    Indemnification of Officers, Directors, Employees  
2 and Agents: Subject to the further provisions hereof, the  
3 Association shall indemnify any and all of its existing or  
4 former directors, officers, employees and agents against all  
5 expenses incurred by them and each of them, including but not  
6 limited to, legal fees, judgments, penalties and amounts paid  
7 in settlement in any legal action brought or threatened against  
8 any of them for or on account of any action or omission alleged  
9 to have been committed while acting within the scope of his or  
10 her service as a director, officer, employee or agent of the  
11 Association, whether or not any action is or has been filed  
12 against them and whether or not any settlement or compromise is  
13 approved by a court. Indemnification shall be made by the  
14 Association whether the legal action brought or threatened is  
15 by or in the right of the Association or by any other person.  
16 Whenever any existing or former director, officer, employee or  
17 agent shall report to the president of the Association or the  
18 chairman of the board that he or she has incurred or may incur  
19 expenses, including, but not limited to, legal fees, judgments,  
20 penalties and amounts paid in settlement or compromise in a  
21 legal action brought or threatened against him or her for or on  
22 account of any action or omission alleged to have been  
23 committed by him or her while acting within the scope of his or  
24 her service as a director, officer, employee or agent of the  
25 Association, the Board shall, at its next regular meeting or at  
26 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  
acted, failed to act or refused to act willfully or with gross  
negligence or with fraudulent or criminal intent. If the Board  
determines in good faith that such person did not act, fail to  
act or refuse to act willfully or with gross negligence or with  
fraudulent or criminal intent in regard to the matter involved  
in the action or contemplated action, indemnification shall be  
mandatory and shall be automatically extended as specified  
herein, provided, however, that the Association 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  
Association, at its own expense and through counsel of its  
choosing, to defend him or her in the action. The  
indemnification provided by this Article 15 is not exclusive of  
any other rights to indemnification provided by Section 10-1005  
of Arizona Revised Statutes (or the corresponding provision of  
any future Arizona Nonprofit Corporation Act) or otherwise  
provided by law.

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IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Arizona, we, the undersigned incorporators, have executed these Articles of Incorporation this 25th day of February, 1987.

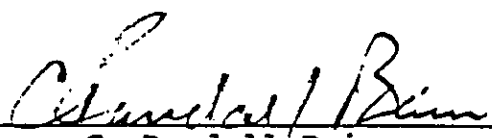
  
\_\_\_\_\_  
Brian Brady

  
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Marshall Eichenauer, Jr.

ACCEPTANCE OF STATUTORY AGENT

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C. Randall Bain, having been appointed to serve as statutory agent for Paradise Manor Association, hereby accepts said appointment and agrees to serve in that capacity until replaced by the Association in accordance with A.R.S. § 10-1009(A) and (B), or until the effective date of any resignation submitted by the undersigned in accordance with A.R.S. § 10-1009(C).

  
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C. Randall Bain