

STATE OF ARIZONA
AOC/FAX
DATE FILED

SEP 19 2000

ARTICLES OF INCORPORATION

DATE APPR 09-19-2000
TERM _____
BY Wendy Robinson
-0963232-0

OF

DREAMING SUMMIT HOMEOWNERS ASSOCIATION

In compliance with the requirements of laws of the State of Arizona, the undersigned have this day voluntarily associated themselves together for the purpose of forming a non-profit corporation and do hereby adopt these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Dreaming Summit Homeowners Association, hereafter called the "Association."

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 6730 N. Scottsdale Road, Suite 230, Scottsdale, Arizona 85253.

ARTICLE III

STATUTORY AGENT

Chris B. Heeter, whose address is 6730 N. Scottsdale Road, Suite 230, Scottsdale, Arizona 85253, is hereby appointed the statutory agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and common area within that subdivision of real property described on the attached Exhibit "A" and such additional real property as may be added to it pursuant to the annexation provisions of the "Declaration" described below (the "Property"), and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- (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,

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- (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, Restrictions, Reservations and Easements (the "Declaration"), applicable to the Property and recorded or to be recorded by the declarant thereof (the "Declarant") in the Office of the County Recorder of Maricopa County, Arizona, and 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 by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members of each class who are eligible to vote, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members of each class who are eligible to vote other than annexation of all or any portion of the Annexable Property as provided for in the Declaration;

(g) have and to 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

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, 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. No stock shall be issued by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

(1) Class A. Class A Memberships shall be all Memberships, except the Class B Memberships held by the Declarant and the Designated Builders, and each Owner shall be entitled to one (1) vote for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of the Declaration in accordance with the provisions thereof;

(2) Class B. Until converted to Class A Memberships as provided below, each Membership owned by Declarant and the Designated Builders, shall be a Class B Membership. At the time of any vote by the Members of the Association, Declarant and the Designated Builders shall be entitled to three (3) votes for each Lot owned thereby. The Class B Memberships of a holder thereof shall cease and be converted to Class A Memberships on the first to occur of the following:

(A) The date which is ninety (90) days after the date when the total votes outstanding in the Class A Memberships entitled to vote equal the total votes outstanding in the Class B Memberships;

(B) December 31, 2007; or

(C) The date that the holder thereof notifies the Board in writing that such holder is terminating its Class B Memberships and converting such Memberships to Class A Memberships; provided, however, that the voluntary termination of the Class B Membership of Declarant, or of the individual Class B Membership of any Designated Builder, will not affect the status of the remaining Class B Memberships.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not more than seven (7) nor less than three (3) directors, who need not be members of the Association. The number of directors serving from time to time shall be as determined by the Board of Directors or by the members from time to time. The names and addresses of three (3) persons who are to act in the capacity of directors until the election of their successors are:

<u>Name</u>	<u>Address</u>
Chris B. Heeter	6730 N. Scottsdale Road Suite 230 Scottsdale, Arizona 85253
Robert C. Speirs	6730 N. Scottsdale Road Suite 230 Scottsdale, Arizona 85253
Dorothy F. Desroches	6730 N. Scottsdale Road Suite 230 Scottsdale, Arizona 85253

ARTICLE VIII

OFFICERS

The affairs of the Corporation shall be administered by officers elected by the Board of Directors at its first meeting, and 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, both of whom shall be members of the Board of Directors, and a Secretary and Treasurer. The initial officers of the Corporation shall be:

Chris B. Heeter	President
Robert C. Speirs	Vice President
Dorothy F. Desroches	Secretary
Dorothy F. Desroches	Treasurer

who shall serve until their successors are appointed and qualified.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members of each class who are eligible to vote. Upon the dissolution of this Association, whether resulting from voluntary action on the part of the Board of Directors, court orders, lapse of time, or otherwise, 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 shall be dedicated by the Directors in cash or in kind absolutely and without possibility of reversion, as absolute gifts without return consideration, direct or indirect, in such amounts and proportions as the Directors shall determine, to a public agency or utility or to a non-profit organization to be devoted to purposes similar to those of the Association. The determination of the Directors with respect to all such distributions shall be final.

ARTICLE X

DURATION

The corporation shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the members of the entire membership who are eligible to vote. Notwithstanding anything contained herein to the contrary, however, the Board of Directors shall have the right to amend all or any part of these Articles to correct minor errors or omissions or to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of these Articles, or by any federally or state chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the filing, by the Board of Directors, of Articles of Amendment duly signed by or on behalf of the Association with signatures acknowledged, specifying the errors or omissions in question and the federal, state or local governmental agency or the federally or state chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. The filing of such Articles of Amendment specifying such a request by an agency or institution shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Articles of Amendment, when filed, shall be binding upon all of the property and all persons having an interest therein.

ARTICLE XII

FHA/VA APPROVAL

For as long as there is a Class B Membership and if VA or FHA certification is desired by Declarant or (if appropriate notice is given as set forth below) a Designated Builder, the following actions will require the prior approval of the VA and FHA unless such agencies have waived such requirements or unless the last sentence of this section applies: (i) annexation of additional properties into the Property (unless such annexation is in accordance with a plan of annexation or expansion previously approved by such agencies; (ii) mergers and consolidations; (iii) mortgaging or otherwise encumbering Common Area; (iv) dedication or other transfer of Common Areas; (v) dissolution of the Association; and (vi) amendment of provisions in the Articles, this Declaration or the Bylaws to the extent required to be approved by the FHA or VA pursuant to their rules and regulations. Consent of the FHA and VA to the foregoing will not be required if the FHA and VA have elected not to approve the Property for certification or if such approval has been revoked, withdrawn, canceled or suspended. If a Designated Builder desires VA or FHA approval, the Designated Builder shall notify each other Designated Builder and Declarant in writing. Consent of the FHA or VA will be deemed to have been given if the matter has been submitted to the agency for approval and the agency has failed to respond within 30 days of such submittal.

ARTICLE XIII

BYLAWS

The original Bylaws of the Association may be adopted by the incorporator.

ARTICLE XIV

INDEMNIFICATION

The Association shall indemnify any person against expenses, including without limitation, attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by reason of the fact that he or she is or was serving at the request of the Association as a director, officer, employee of the Association, 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 XV

INCORPORATOR

The name and address of the incorporator is:

Chris B. Heeter
6730 N. Scottsdale Road, Suite 230
Scottsdale, Arizona 85253

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 19th day of September, 2000.



CHRIS B. HEETER

INCORPORATOR