

AZ CORPORATION COMMISSION  
FILED

NOV 04 2013

FILE NO. 1883993-1**ARTICLES OF INCORPORATION  
OF  
COTTAGES AT ARCADIA HOMEOWNERS ASSOCIATION****KNOW ALL MEN BY THESE PRESENTS:**

That the undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Arizona, does hereby adopt the following Articles of Incorporation.

1. **Name.** The name of this corporation (hereinafter "Association") is Cottages at Arcadia Homeowners Association.

2. **Duration.** The period of duration of the Association shall be perpetual.

3. **Principal Place of Business.** The initial known place of business and principal office for the transaction of business of the Association is located at 1806 N. Lindsey, Ste. 102, Mesa, Arizona 85213.

4. **Statutory Agent.** The name and address of the Association's initial Statutory Agent, a domestic limited liability company, Arizona, are:

Bellago Development, LLC  
1806 N. Lindsey, Ste. 102  
Mesa, Arizona 85213

5. **Nonprofit Corporation.** This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

6. **Purpose and Powers.** This Association does not contemplate the distribution of gains, profits or dividends to its Members. The primary purposes for which the Association is formed are to promote the health, safety and welfare of all of the Unit Owners and Residents and to provide for the management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Common Elements and all other areas for which the Association has such responsibility within Cottages at Arcadia Site Condominiums. The Condominium is more particularly described in that certain Amended and Restated Declaration of Condominium and of Covenants, Conditions and Restrictions Recorded on October 29, 2013 at Instrument No. 2013-0947708 in the Official Records of the Maricopa County, Arizona Recorder (the "Declaration").

In furtherance of said purposes, this Association shall, *inter alia*, have the powers to:

a. Perform all of the duties and obligations of the Association as set forth in the Declaration;

b. Fix, levy, collect and enforce Assessments, and including any late charges, monetary penalties, fines, fees and any other Collection Costs or charges due to the Association as set forth in the Declaration or as permitted under Applicable Laws;

c. Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes or governmental charges levied or imposed against any property owned by the Association;

d. 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 (but Common Elements are owned by Unit Owners as provided in the Declaration and are subject to the specific provisions of the Declaration and the Condominium Act relating to ownership, encumbrance and transfer of Common Elements);

e. Borrow money and, only with the assent (by vote or written consent) of two-thirds (2/3) of the Members other than Declarant, and with the consent of Declarant during the Period of Declarant Control, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property (not including the Common Elements owned by the Unit Owners in their allocated undivided interests) as security for money borrowed or debts incurred;

f. Grant easements over the Common Elements to any public agency, authority or utility company consistent with the provisions of Section 3.2 of the Declaration;

g. Convey the Common Elements or subject the same to a mortgage or other security interest, further subject to the provisions of the Declaration and the Condominium Act;

h. Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose, provided that any merger or consolidation shall have the assent of Members as required by the Condominium Act;

i. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Nonprofit Corporation Act (A.R.S. §10-3101 et seq.) and the Arizona Condominium Act (A.R.S. §33-1201 et seq.) by law may now or hereafter have or exercise.

7. **Membership Voting Rights.** This Association will have Members. The number and qualifications of Members of the Association, the voting and other rights and privileges of Members, their liability for Assessments and the method of collection thereof shall be as set forth in the Declaration and the Bylaws. Without limiting the foregoing, every Person who is a record owner of a fee or undivided fee interest in any Unit, including contract purchasers with right of possession of a Unit pursuant to A.R.S. §§33-741 et seq., but excluding Persons holding an

interest merely as security for the performance of an obligation, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

8. **Board of Directors.** The affairs of this Association shall be managed by a Board of Directors. During the Period of Declarant Control, the Board of Directors shall consist of one Director, who shall serve until his successor is appointed by Declarant in accordance with the Declaration and Bylaws. The name and address of the initial Director appointed by Declarant are as follows:

Wayne S. Funk  
c/o Bellago Development, LLC  
1806 N. Lindsay Rd., Ste. 102  
Mesa, Arizona 85213

The sole Director appointed by the Declarant and serving during the Period of Declarant Control shall also hold all of the officer positions during such Period. After the Period of Declarant Control expires or terminates, (i) the number of Directors serving on the Board shall automatically increase to three (3) in number as further provided in the Bylaws; (ii) except for a Director appointed by or affiliated with Declarant, no Director serving on the Board at any time shall be related by blood, adoption, or marriage to, or share ownership of or any interest in a Unit with, any other director serving on the Board at that same time; and (iii) all directors serving on the Board shall be elected by the Membership as provided in the Declaration and Bylaws. A majority of the Directors elected by the Membership shall be Unit Owners; provided, further, however, that if a Unit Owner is other than a natural person, a Director may be an officer, director, member, manager, partner, or trustee of such Unit Owner.

9. **Elimination of Director Liability; Indemnification.** As set forth in the Arizona Nonprofit Corporation Act, 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 omission 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. Without limiting the foregoing, it is the intention of this paragraph to provide for the Directors the full benefits and immunities created by or available under the provisions of A.R.S. §§10-3202(B) and 10-3830(D), as the same may be expanded or modified in the future. To the fullest extent permitted by Arizona law, as the same may be expanded or modified in the future, the Association shall indemnify and advance expenses to any person who incurs expenses or liabilities in any civil suit or criminal, administrative or investigative action, by reason of the fact that he was an officer or Director of the Association. The foregoing indemnification and advancement of expenses to persons acting in their capacity as Directors or officers of the Association is mandatory in all circumstances that the indemnification and advancement of expenses to a Director or officer of a non-profit corporation are permitted by law. No repeal, amendment or modification of this Section 9, whether direct or indirect, shall eliminate or reduce its effect with respect to any matter giving

rise to indemnification and advancement of expenses occurring prior to such repeal, amendment or modification.

10. **Dissolution.** The Association may be dissolved with the consent given in writing and signed by Members holding not less than eighty percent (80%) of the total votes in the Association. So long as Declarant owns one or more Units, the Association may not be dissolved without the prior written consent of Declarant. In the event of dissolution, liquidation or winding up of the Association (other than incident to a merger or consolidation), the Association shall pay or adequately provide for the debts and obligations of the Association and otherwise comply with the Arizona Nonprofit Corporation Act and Applicable Laws. The Directors or Persons in charge of the liquidation shall dedicate the assets of the Association to an appropriate public agency to be used for purposes similar to those for which this Association was created or if such dedication is refused acceptance, then such assets may be granted, transferred or conveyed to any nonprofit corporation, association, trust or other organization devoted to similar purposes. If such actions are not feasible, or, in the event of a termination of the Condominium, said Directors or other Persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective allocated interests as set forth in the Declaration, except as may be required by Applicable Laws.

11. **Amendments.** These Articles may be amended by vote or written assent of Members representing at least two-thirds (2/3) of the total allocated votes in the Membership; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision and, provided further, that Section 9 of these Articles may not be amended without the vote or written consent of Members representing at least seventy-five percent (75%) of the total allocated votes in the Membership. The Board, without the consent of the Members or First Mortgagees, may amend these Articles to conform to the requirements and guidelines of any governmental or quasi-governmental entity or federal corporation that insures, guarantees, or invests in residential mortgages.

12. **Incorporator.** The name and address of the incorporator of the Association are:

Bellago Development, LLC  
1806 N. Lindsey, Ste. 102  
Mesa, Arizona 85213


13. **VA/FHA Approval.** During the Period of Declarant Control, the approval of the VA or FHA, as applicable, shall be required prior to the annexation of additional real property to the Condominium, mergers, consolidations and/or dissolution, of the Association, conveyancing, mortgaging or dedication of Common Elements, or amendment of these Articles.

14. **Definitions.** All initially capitalized terms used herein without definition shall have the meanings set forth for such terms in the Declaration and/or the Condominium Act.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation as the Incorporator this 29 day of October, 2013.

**BELLAGO DEVELOPMENT, LLC,**  
an Arizona limited liability company

By

  
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Wayne S. Funk, Its Manager