

EXPEDITED
AZ CORP COMMISSION
FILED

AUG 24 4 41 PM '94

ARTICLES OF INCORPORATION

OF

CRYSTAL BAY HOMEOWNERS ASSOCIATION

FILED *Soni Drees*
DATE *8/2/94*

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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 nonprofit corporation and do hereby adopt these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Crystal Bay Homeowners Association, hereafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 5080 North 40th Street, Suite 460, Phoenix, Arizona 85018.

ARTICLE III

STATUTORY AGENT

DAVE CUTSHAW, whose address is 5672 East Towner, Tucson, Arizona 85712, 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 residence Lots and Common Area within that certain subdivision popularly known and marketed as Crystal Bay but officially recorded as:

Raintree Ranch East, now or hereafter recorded in the records of the County Recorder of Maricopa County, Arizona.

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 that certain Declaration of Covenants, Conditions Restrictions Reservations and Easements, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded 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 each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit 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 each class of members;

(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:

Class A. Class A members shall be all Owners, with the exception of the Declarant, as defined in the Declaration, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as set forth in the Declaration, but 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 on the happening of either of the following events, whichever occurs earlier:

(a) The date which is ninety (90) days after the date when the total votes outstanding in the Class A Membership entitled to votes equal the total votes outstanding in the Class B Membership.

(b) The 30th day of September, 1999.

(c) The date Declarant under the Declaration notifies the Board of Directors in writing that such Declarant is terminating its Class B Membership and converting such Memberships to Class A Membership.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not more than five (5) nor less than three (3) Directors, who shall be members of the Association or representatives of a member which is an entity. The number of directors serving from time to time and the term of such directors shall be as set forth in the By-Laws of the Association. The names and addresses of three persons who are to act in the capacity of directors until the election of their successors are:

<u>Name</u>	<u>Address</u>
John P. Lutich	4802 North 31st Place Phoenix, Arizona 85016
Dave Cutshaw	5672 East Towner Tucson, Arizona 85712
Allen Heytens	18808 North 35th Place Phoenix, Arizona 85024

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:

John P. Lutich	President
Dave Cutshaw	Vice President
Allen Heytens	Secretary/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 each class of members. 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 distributed 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 any public bodies, or to such corporations, clubs or associations which are found for purposes similar to the Association, and which are exempt from taxation under the provisions of Section 501 of the Internal Revenue Code of 1954 as now or hereafter amended. 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 75 percent (75%) of the entire membership.

ARTICLE XII

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XIII

BYLAWS

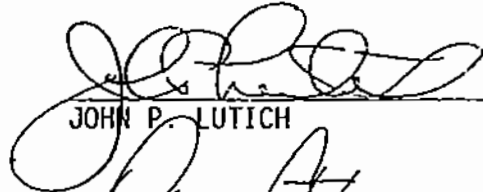
The original Bylaws of the Association may be adopted by the incorporators.

ARTICLE XIV

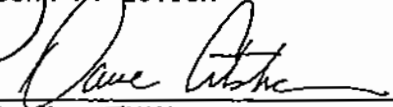
INDEMNIFICATION

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 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.

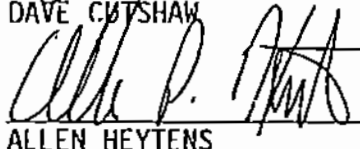
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 27 day of July, 1994.



 JOHN P. LUTICH



 DAVE CUTSHAW



 ALLEN HEYTENS

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by JOHN P. LUTICH.

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

David Fyke
Notary Public

My commission expires:



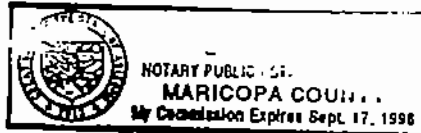
STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by DAVE CUTSHAW.

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

David Fyke
Notary Public

My commission expires:



STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 27 day of July, 1994, by ALLEN HEYTENS.

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



Notary Public

My commission expires:

