

**ARTICLES OF INCORPORATION
OF
LOS PORTONES COMMUNITY ASSOCIATION, INC.**

The undersigned, for the purpose of forming a non-profit corporation under A.R.S. Section 10-1002, et seq., do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation shall be LOS PORTONES COMMUNITY ASSOCIATION, INC.

ARTICLE II

The incorporators of the corporation are those persons who have executed these Articles and their names and addresses are set forth immediately opposite their signatures.

ARTICLE III

The purpose for which the corporation is organized is to act as a property owners association (the "Association") in accordance with Section 528 of the Internal Revenue Code of 1954, as the same may be amended from time to time, or if the corporation so elects, pursuant to Section 501(c)(4) of the Internal Revenue Code, as the same may be amended from time to time, and as such, shall serve as a property owners association for the owners of lots and parcels as more fully set forth in the Master Declaration of Covenants, Conditions and Restrictions for Los Portones (the "Declaration"), recorded in the office of the County Recorder of Maricopa County, Arizona. In furtherance of, and in order to accomplish the foregoing purposes, the

Association may transact any and all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona as they may be amended from time to time.

ARTICLE IV

The Association shall have all of those powers provided by law, including those set forth in the Arizona Revised Statutes, as the same may be amended from time to time, and all of those powers necessary or convenient to effect the corporation's purposes as set forth above, including, but not limited to, the power to exercise all of the rights and privileges and perform all duties and obligations of the corporation, as set forth in the Declaration as the same may be amended from time to time as provided therein.

ARTICLE V

Every person or entity who is a record owner of any lot or parcel in Los Portones shall be a member of the Association, subject to and in accordance with the Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

ARTICLE VI

The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners in Los Portones, with the exception of the Declarants, as such term is defined in the Declaration, and shall be entitled to one (1) vote

for each lot owned or, in the case of an owner of a parcel which has not been subdivided into lots, one vote for each 5,445 square feet of land area contained within the boundaries of such parcel. In the event the total square footage of land area contained within the boundaries of any parcel cannot be divided evenly by 5,445, no additional vote or fraction thereof shall be assigned to the fractional remainder. The votes entitled to be cast by the owner of any parcel zoned for commercial use shall be determined based upon the square footage of land area contained within such parcel. When more than one (1) person holds an interest in any lot or parcel, all such persons shall be Members. The voting for such lot or parcel shall be exercised as such persons among themselves determine, or, in the absence of such determination, as determined by the Board of Directors, but in no event shall more than one (1) vote be cast, with respect to any lot or more than one (1) vote be cast with respect to each 5,445 square feet of land area contained within the boundaries of any parcel. If any owner or owners cast a vote representing a certain lot or parcel, it will thereafter be conclusively presumed for all purposes that such owner or owners were acting with the authority and consent of all other owners of the same lot or parcel.

Class B: The Class B Members shall be the Declarants and shall be entitled to three (3) votes for each lot or for each 5,445 square feet of land area contained within the boundaries of any parcel owned by Declarants within the boundaries of Los Portones. The total votes which the Declarants shall be entitled to cast may be cast in such proportion on any matter as Declarants may determine. Each Class B membership shall cease and be converted to Class A membership, without further act or deed, upon the happening of any of the following events:

(a) Upon the conveyance by Declarants of any particular lot or parcel to an owner, other than in connection with the assignment by any Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment by any Declarant to any lender as security), with respect to the particular lot or parcel so sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(i) Upon the expiration of one hundred twenty (120) days following the first date when the total votes entitled to be cast by the Class A membership equal or exceed the total votes entitled to be cast by the Class B membership, or

(ii) Ten (10) years after the conveyance of the first lot or parcel to an owner other than the Declarants.

If any lender to whom any Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under the Declaration succeeds to the interest of such Declarant by virtue of said assignment, the Class B memberships formerly held by such Declarant shall not be terminated thereby, and such lender shall hold the Class B memberships on the same terms as such were held by such Declarant.

ARTICLE VII

The business and affairs of this corporation shall be conducted by a Board of no less than three (3) nor more than seven (7) Directors, and such Officers as the Directors may elect and appoint. Each Director shall be a member of, or the spouse of, a member (or if a member is a corporation, partnership, or

trust, a Director may be an Officer, authorized agent, partner or trustee of such member). If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director, and his place on the Board shall be deemed vacant. The requirements of this Article shall not apply to Directors elected as a result of any of the votes cast by the Class B member.

The initial Board of Directors of the corporation having been elected by the incorporators of the corporation during a meeting at 4550 North Black Canyon Highway, Phoenix, Arizona at 3:00 pm on the 17th day of October, 1991, who shall hold office until their successors have been duly elected and qualified and their addresses are as follows:

JOSEPH CONTADINO

Del Webb's Coventry Homes
4550 North Black Canyon Highway
Phoenix, Arizona 85017

DAVID SCHREINER

Del Webb's Coventry Homes
4550 North Black Canyon Highway
Phoenix, Arizona 85017

SIDNEY SOBEL

23972 North 74th Street
Scottsdale, Arizona 85255

ARTICLE VIII

The private property of the Members, Directors and Officers of the corporation shall be forever exempt from the corporation's debts and obligations, except as otherwise provided herein.

ARTICLE IX

Subject to the provisions of A.R.S. Section 10-1005(B), the Association shall indemnify and hold harmless each of its

Directors and Officers, each Member of any committee appointed by the Board, the Board, and Declarants, against any and all liability arising out of any acts of the Directors, Officers, Committee Members, Board, or Declarants (including any and all Officers and Directors of any Declarant), or arising out of their status as Directors, Officers, Committee Members, Board, or Declarants, unless any such act is a result of gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses including, by way of illustration, but not of limitation, attorney's fees and costs, reasonably incurred in connection with the defense of any claim, action or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer, Committee Member, Board, Declarant or Director, or Officer of any Declarant, may be involved by virtue of such person having the status of a Director, Officer, Committee Member, Board, Declarant, any Declarant's Director or Officer; provided, however, that such indemnity shall not be operative with respect to any matters to which such person shall have been finally adjudged in such action or proceeding to be liable for gross negligence or criminal intent in the performance of his duties.

ARTICLE X

The name and address of the initial statutory agent of the corporation is:

STEPHEN TEALE
Rossmar Management Company
5050 North 8th Place, Suite 6
Phoenix, Arizona 85014

ARTICLE XI

For the purpose of providing necessary funds for carrying out the purposes of the corporation, there shall be levied against each lot or parcel and each Member, certain assessments, which shall be determined in accordance with, and shall be due, payable and enforceable in the manner set forth in the Declaration, as the same may be amended from time to time.

ARTICLE XII

Amendment of these Articles shall require sixty-seven percent (67%) of the votes entitled to be cast at a meeting called for that purpose.

Power to amend, change or modify the Bylaws of the Association shall be reserved to the membership, subject to the provisions for amendment provided in the Bylaws.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Incorporation as of the 5th day of DECEMBER, 1991.

Joseph Contadino

Name: Joseph Contadino
Address: 4550 North Black Canyon
Phoenix, Arizona 85017

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing Articles of Incorporation was acknowledged before me this 5th day of December, 1991, by Joseph Contadino, an incorporator of Los Portones Community Association, Inc., an Arizona nonprofit corporation.

Margaret C. Pierce
Notary Public

My Commission Expires:

