

ARTICLES OF INCORPORATION

OCT 8 12 44 PM '93

OF

TOWN OF PARADISE VALLEY MUNICIPAL PROPERTY CORPORATION

APPR Donna Lee
DATE APPR 9/8/93
DATE _____ TIME _____

0703087-0

The undersigned, acting as incorporator of a nonprofit corporation under Chapter 5 of Title 10, Arizona Revised Statutes, adopts the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is TOWN OF PARADISE VALLEY MUNICIPAL PROPERTY CORPORATION and its duration shall be perpetual.

SECOND: (a) The purpose for which the corporation is organized is to assist the Town of Paradise Valley, Arizona in financing capital projects and other financial endeavors.

(b) The character of affairs which the corporation initially intends actually to conduct in this state is to act as lessee and lessor of certain real property to be improved for use by the Town of Paradise Valley, Arizona.

THIRD: No part of the net earnings of the corporation shall inure to the benefit of any Director or officer of the corporation, or to any private individual, firm, or corporation (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no Director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

FOURTH: The name and address of the initial statutory agent of the corporation is John L. Baudek, 6401 East Lincoln Drive, Paradise Valley, Arizona 85253. The address of the initial known place of business of the corporation is 6401 East Lincoln Drive, Town of Paradise Valley, Arizona 85253.

FIFTH: The Board of Directors of the corporation shall consist of not less than 3 nor more than 12 persons who shall be divided into three classes: Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the number of directors constituting the whole Board. Each director shall serve for a term ending at the third annual meeting following the annual meeting at which such director was elected; provided, however, that the directors first elected to Class I shall serve for a term ending at the first annual meeting of the Board of Directors, the directors first elected to Class II shall serve for a term ending at the second annual meeting of the Board of Directors, and the directors first elected to Class III shall serve for a term ending at the third annual meeting of the Board of Directors. The foregoing notwithstanding, each director shall serve until his or her successor is duly elected and qualified.

In the event of any change in the authorized number of directors, (1) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member until the expiration of his or her current term, or his or her prior death, resignation or removal, and (2) the newly created or eliminated directorships resulting from such change shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal as possible.

The number of Directors constituting the initial Board of Directors of the corporation is seven (7). The names, addresses and class designations of the persons who are to serve as Directors until the term for which he or she is appointed expires, or until their successors are elected and qualified, are:

<u>Names</u>	<u>Addresses</u>
LeRoy Ellison, Class I	6121 North 51st Place Paradise Valley, AZ 85253
Kent D. Wick, Class I	6704 North Mockingbird Lane Paradise Valley, AZ 85253
Joan R. Lincoln, Class I	6821 Lost Dutchman Drive Paradise Valley, AZ 85253
Philip A. Edlund, Class II	7100 North 46th Place Paradise Valley, AZ 85253
Russell W. Mosser, Class II	5925 East Solcito Lane Paradise Valley, AZ 85253
Robert W. Plenge, Class III	5900 Via del Cielo Paradise Valley, AZ 85253
Gregory B. Dean, Class III	6611 North 60th Street Paradise Valley, AZ 85253

SIXTH: The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
Mr. John L. Baudek	6401 East Lincoln Drive Paradise Valley, AZ 85253

SEVENTH: The private property of the incorporator, officers, Directors or members of any committee appointed by the Board of Directors shall not be subject to the debts or obligations of the corporation.

EIGHTH: A Director of the corporation shall not be personally liable to the corporation for monetary damages for breach of fiduciary duty as a Director, except for liability for any of the following:


- (a) any breach of the Director's duty of loyalty to the corporation or its members;
- (b) acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) a violation of Section 10-1026 of the Arizona Revised Statutes;
- (d) any transaction from which the Director derived an improper personal benefit; or
- (e) a violation of Section 10-1097 of the Arizona Revised Statutes.

Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a Director of the corporation existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification.

NINTH: The corporation shall have power to indemnify officers, Directors, employees, and agents to the extent permitted by Section 10-1005(B) Arizona Revised Statutes.

TENTH: Upon the dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to organizations designated by the Board of Directors which are then non-profit organizations.

IN WITNESS WHEREOF, the undersigned incorporator makes and files these Articles of Incorporation this 8th day of October, 1993.



John L. Baudek

EXHIBIT B

BYLAWS

OF

TOWN OF PARADISE VALLEY MUNICIPAL PROPERTY CORPORATION

I. CORPORATION ARTICLES

1.01. References to Articles. Any reference herein made to the corporation's articles will be deemed to refer to its articles of incorporation and all amendments thereto as at any given time on file with the Arizona Corporation Commission, together with any and all certificates filed by the corporation with the Arizona Corporation Commission (or any successor to its functions) pursuant to applicable law.

1.02. Seniority. The articles will in all respects be considered senior and superior to these bylaws, with any inconsistency to be resolved in favor of the articles, and with these bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.

II. CORPORATION OFFICES

2.01. Known Place of Business. The known place of business of the corporation in the State of Arizona shall be the office of its statutory agent unless otherwise designated in the articles. The corporation may have such other offices, either within or without the State of Arizona, as the board of directors may designate or as the business of the corporation may require from time to time.

2.02. Change Thereof. The board of directors may change the corporation's known place of business or its statutory agent from time to time by filing a statement with the Arizona Corporation Commission pursuant to applicable law.

III. BOARD OF DIRECTORS

3.01. Annual Meetings. Each annual meeting of the board of directors is to be held on the second Wednesday in the month of October, commencing with the year 1994 (unless that day be a legal holiday, in which event the annual meeting will be held on the next succeeding business day) at a time and place as determined by the board of directors or, in the absence of action by the board, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 3.03 below. At the annual meeting, the directors whose terms have then expired shall be replaced with directors appointed by the Town Council of the Town of Paradise Valley, Arizona. Such other business as may be properly brought before the meeting shall also be transacted at the meeting. If any annual meeting is for any reason not held on the

date determined as aforesaid, a deferred annual meeting may thereafter be called and held in lieu thereof, at which the same proceedings may be conducted. Any director appointed at any annual meeting, deferred annual meeting or special meeting will continue in office until the appointment of his successor, subject to his earlier resignation pursuant to Section 6.01 below.

3.02. Special Meetings. Special meetings of the directors may be held whenever and wherever called for by the president or by the written demand of not less than ___% of all of the directors. Any written demand by directors shall state the purpose or purposes of the proposed meeting, and business to be transacted at any such meeting shall be confined to the purposes stated in the notice thereof, and to such additional matters as the chairman of the meeting may rule to be germane to such purposes.

3.03. Notices. Notice of regular and special meetings of the directors shall be given to each director, orally or in writing, at least twenty-four (24) hours before the time fixed for the meeting, and such notice shall advise each director as to the time, place and general purpose of the meeting, and shall be delivered personally, or by telephone or telegram, or mailed, postage prepaid, to each director at his last post office address as it appears on the books of the corporation. Any director may waive call or notice of any annual, deferred annual or special meeting (and any adjournment thereof) at any time before, during which or after it is held. Attendance of a director at any such meeting in person will automatically evidence his waiver of call and notice of such meeting (and any adjournment thereof) unless he is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed.

3.04. Membership. The board of directors will be comprised of not less than three (3) nor more than twelve (12) members. Directors will be appointed by the Town Council annually to fill any vacancy on the board, whether by expiration of term or otherwise. Each director appointed shall hold office until his or her successor is duly appointed and qualified, and may be removed from office without cause at any time by vote of the Town Council of the Town of Paradise Valley, Arizona.

3.05. Quorum. A quorum for the transaction of business at any meeting or adjourned meeting of the board of directors will consist of a majority of those then in office. Once a quorum has been formed, the directors from time to time remaining in attendance at such meeting prior to its adjournment will continue to be legally competent to transact business properly brought before the meeting, notwithstanding the prior departure from the meeting of enough directors to leave less than a quorum.

3.06. Voting. Any matter submitted to a meeting of the board of directors will be resolved by a majority of the votes cast thereon. In case of an equality of votes, the chairman of the meeting will have a second or deciding vote.

3.07. Committees. The board of directors, from time to time, by resolution adopted by a majority of the full board, may appoint standing or temporary committees from its

membership and vest such committees with such powers as the board may include in its resolution.

3.08. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors or of any committee at which action is taken on any matter will be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the secretary of the corporation within two (2) business days after the adjournment of the meeting. A right to dissent will not be available to a director who voted in favor of the action.

3.09. Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the board of directors or of any committee thereof may be taken without a meeting of all directors, or committee members, as the case may be, with the written consent of each director or committee member, as the case may be. Such consent shall have the same effect as a unanimous vote of the directors or committee members of the corporation at a meeting duly called and noticed.

3.10. Meetings by Conference Telephone. Any member of the board of directors or of a committee thereof may participate in any meeting of the board or such committee by means of a conference telephone or similar communication equipment whereby all members participating in such meeting can hear one another. Such participation shall constitute attendance in person.

IV. OFFICERS - GENERAL

4.01. Elections and Appointments. The board of directors will elect or appoint a president, a secretary and a treasurer, and may appoint one or more vice presidents. The regular election or appointment of officers will take place at each annual meeting of the board of directors, but elections of officers may be held at any other meeting of the board. A person elected or appointed to any office will continue to hold that office until the election or appointment of his successor, subject to action earlier taken pursuant to Section 4.03 or 6.01 below. Any two or more offices may be held by the same person, except the offices of president and secretary.

4.02. Additional Appointments. In addition to the officers contemplated in Section 4.01 above, the board of directors may elect or appoint other corporate or divisional officers or agents with such authority to perform such duties as may be prescribed from time to time by the board of directors or by the president.

4.03. Removal; Delegation of Duties. The Town Council of the Town of Paradise Valley, Arizona may, whenever in its judgment the best interests of the corporation will be

served thereby, remove any officer or agent of the corporation or temporarily delegate his powers and duties to any other officer or to any director.

V. SPECIFIC OFFICERS

5.01. President and Vice President. The president will be a member of the board of directors of the corporation and, unless otherwise specified by resolution of the board of directors, the chief executive officer of the corporation. The president will supervise the business and affairs of the corporation and the performance by all of its other officers of their respective duties, subject to the control of the board of directors. One or more vice presidents may be elected by the board of directors to perform such duties as may be designated by the board or be assigned or delegated to them by the chief executive officer. Any one of the vice presidents as authorized by the board will be vested with all of the powers and charged with all of the duties of the president in the event of his or her absence or inability to act. Except as may otherwise be specifically provided in a resolution of the board of directors, the president or any vice president will be a proper officer to sign on behalf of the corporation any deed, bill of sale, assignment, option, mortgage, lease, pledge, note, bond, evidence of indebtedness, application, indenture or other instrument of any significant importance to the corporation.

5.02. Secretary. The secretary must be a member of the board of directors of the corporation. He or she will keep the minutes of meetings of the board of directors and any committee, and all unanimous written consents of the board of directors and any committee of the corporation, and will see that all notices are duly given in accordance with the provisions of these bylaws or as required by law. The secretary will be custodian of the corporate records, and, in general, perform all duties incident to the office.

5.03. Treasurer. The treasurer will keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and will cause all money and other valuable effects to be deposited in the name and to the credit of the corporation in such depositories, subject to withdrawal in such manner, as may be designated by the board of directors. He or she will render to the president and the directors at proper times an account of all his or her transactions as treasurer and of the financial condition of the corporation. The treasurer shall be responsible for preparing and filing such financial reports, financial statements and returns as may be required by law.

5.04. Other. The board of directors may engage the services of such other employees, including, but not limited to, an Executive Secretary and/or Managing Director, as may from time to time be deemed necessary or advisable for the objects and purposes of the corporation.

VI. RESIGNATIONS AND VACANCIES

6.01. Resignations. Any director, committee member or officer may resign from his or her office at any time by written notice delivered or addressed to the corporation at its known place of business. Any such resignation will be effective upon its receipt by the corporation

unless some later time is therein fixed, and then from that time; the acceptance of a resignation will not be required to make it effective.

6.02. Vacancies. If the office of any director, committee member or officer becomes vacant by reason of his or her death, resignation, disqualification, removal or otherwise, the board of directors may choose a successor to hold office for the unexpired term, subject to the Mayor and a majority of the members of the Town Council of Paradise Valley, Arizona consenting to such successor.

VII. AMENDMENTS

The board of directors shall have power to make, amend, and repeal the Articles of Incorporation and the Bylaws of the corporation by vote of a majority of all the directors present at any regular or special meeting of the board at which a quorum is present, provided that any such proposed amendment has first been approved by the Town Council of the Town of Paradise Valley, Arizona, and provided that written notice of any such proposed amendment is given with notice of the meeting.