

EXPEDITED

ACC/FAX
DATE FILED - 1

SEP 24 1994

DATE APPROVED 9-24-94
TERM

**ARTICLES OF INCORPORATION
OF
THE PINES AT SOUTH MOUNTAIN COMMUNITY ASSOCIATION**

B.M.A.
0889058

In compliance with the requirements of § 10-3201, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

**ARTICLE I.
NAME**

The name of the corporation is The Pines at South Mountain Community Association.

T.R.M.

**ARTICLE II.
DEFINED TERMS**

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for The Pines at South Mountain recorded at Recorder's No. 99-879383, records of Maricopa County, Arizona, as such Declaration may be amended from time to time.

**ARTICLE III.
KNOWN PLACE OF BUSINESS**

The principal office of the Association shall be located at 2149 East Valencia Drive, Phoenix, AZ 85040.

**ARTICLE IV.
STATUTORY AGENT**

Michael E. Woolf, whose address is One East Camelback Road, Suite 1100, Phoenix, Arizona, 85012, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated as the initial statutory agent for the corporation.

**ARTICLE V.
PURPOSE OF THE ASSOCIATION**

The object and purpose for which this Association is organized is to provide for the management, maintenance, and care of the Areas of Association Responsibility and other property owned by the Association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the Association by the Association Documents. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.



ARTICLE VI.
CHARACTER OF BUSINESS

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Areas of Association Responsibility and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Association Documents.

ARTICLE VII.
MEMBERSHIP AND VOTING RIGHTS

The Members of the Association shall be the Owners of Lots. By acquiring fee title to or otherwise becoming the Owner of a Lot, a Person consents to becoming a member of the Association. As provided in the Declaration, there initially will be two classes of membership in the Association. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents, and the provisions of the Declaration pertaining to classes of membership and the voting rights of the Members are incorporated in these Articles of Incorporation by reference.

ARTICLE VIII.
BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who shall serve until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Mailing Address</u>
Barney Feldman	2149 East Valencia Road Phoenix, Arizona 85040
Richard Lloyd	2149 East Valencia Road Phoenix, Arizona 85040
W. Mark Moore	2149 East Valencia Road Phoenix, Arizona 85040

ARTICLE IX.
BYLAWS

The Board shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members as provided in the Declaration, except that so long as the Declarant owns any Lot, the Declarant, and thereafter, the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association ("FNMA"), the Federal Home Loan

Mortgage Corporation ("FHLMC"), the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association.

ARTICLE X. OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until (i) the first annual meeting of the Association and (ii) their successors have been elected and qualified.

Barney Feldman - President
Richard Lloyd - Vice President
W. Mark Moore - Secretary
W. Mark Moore - Treasurer

ARTICLE XI. LIMITATION ON LIABILITY OF DIRECTORS

The personal liability of a director or officer of the Association to the Association or its Members for monetary damages for breach of his/her fiduciary duties as a director or officer is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time. Any repeal or modification of this Article XI shall be prospective only and shall not adversely affect the personal liability of a director or prior director for any act or omission occurring prior to the effective date of such repeal or modification.

ARTICLE XII. INDEMNIFICATION

The Association shall indemnify any person made a party to any civil suit or criminal, administrative or investigative action, other than an action by or in the right of the Association, by reason of the fact that he/she is or was a member, director, officer, employee or agent of the Association, against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, if he/she acted, or failed to act, in good faith and he/she reasonably believed (i) in the case of conduct in an official capacity with the Association, that the conduct was in its best interests, (ii) in all other cases, that the conduct was at least not opposed to its best interests, and (iii) in the case of any criminal action or proceeding, that he/she had no reasonable cause to believe the conduct was unlawful. Any indemnification of the members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the provisions of the Arizona Revised Statutes pertaining to nonprofit corporations. Any repeal or modification of this Article XII shall be prospective only and shall not adversely affect, defeat or limit the right of any person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

ARTICLE XIII
AMENDMENTS

These Articles may be amended by Members holding at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that so long as the Declarant owns any Lot, the Declarant, and thereafter, the Board, without a vote of Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the FNMA, the FHLMC, the FHA, the VA or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Lot, any amendment to these Articles must be approved in writing by the Declarant.

ARTICLE XIV.
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the authorized votes in each class of membership. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose. So long as the Declarant owns any Lot, any dissolution of the Association must be approved in writing by the Declarant.

ARTICLE XV.
DURATION

The corporation shall exist perpetually.

ARTICLE XVI.
ASSESSMENTS AND FEES

Each Member shall be obligated to pay Assessments and other fees and charges to the Association in accordance with the Association Documents.

ARTICLE XVII.
VA/FHA APPROVAL

As long as there is a Class B membership in the Association, the following actions will require the prior approval of the FHA or the VA to the extent the statutes and regulations governing FHA or VA residential loan programs require such approval: annexation of additional properties; mergers or consolidations; mortgaging of Common Area; dedication of Common Area or the Association; and dissolution or amendment of these Articles of Incorporation.

**ARTICLE XVIII.
INCORPORATOR**

The name and address of the incorporator of the Association is:


Name

Address

W. Mark Moore

2149 East Valencia Road
Phoenix, Arizona 85040

Dated this 21st day of September, 1999.

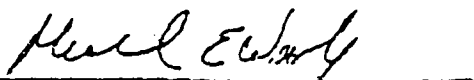


W. Mark Moore, Incorporator

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent for this corporation, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 21st day of September, 1999.



Michael E. Woolf