

37001-1123

**THE PINES AT WOODLAND VILLAGE
HOMEOWNERS ASSOCIATION**

ARTICLES OF INCORPORATION

EXPEDITED
AZ CORP COMMISSION
FILED

ARTICLES OF INCORPORATION

OF

THE PINES AT WOODLANDS VILLAGE HOMEOWNERS ASSOCIATION

Dec 20 1 40 PM '95

APPROVED
DATE

Charles...

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The undersigned hereby voluntarily sets forth the following statements for the purpose of forming a non-profit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopts these Articles of Incorporation.

ARTICLE I

Name

The name of the corporation shall be The Pines at Woodlands Village Homeowners Association (the "Corporation"). The known place of business is 2075 S. Woodlands Village Blvd., Flagstaff, AZ 86001.

ARTICLE II

Defined Terms/Conflicting Terms

Capitalized terms used in these Articles of Incorporation without definition shall have the meanings ascribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Pines at Woodlands Village recorded in the Office of the County Recorder of Coconino County, Arizona, on 11/24, 1995, at Recorder's No. Case 6 Map 55, as it may be amended from time to time (the "Declaration"). The terms and provisions of the Declaration are hereby incorporated by reference into these Articles of Incorporation as if set forth herein.

ARTICLE III

Purpose

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as the same may be amended from time to time, including but not limited to providing a convenient means of administering that subdivision known as The Pines at Woodlands Village (the "Subdivision"), subject to (i) the Declaration, (ii) these Articles of Incorporation, and (iii) the Bylaws of the Corporation.

As provided in, and pursuant to, the Declaration, this Corporation shall, to the extent permitted by applicable law, serve as governing body for all of the Owners of the Lots for the maintenance, repair, replacement, administration and operation of the common areas of the Subdivision and the performance of such duties and functions, and the exercise of such rights, as are given and assigned to the Corporation by the Declaration as the same may hereafter be amended, and this Corporation shall not engage in any other business or activity.

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- (j) To enter into, perform and carry out leases and contracts of any kind necessary to or in connection therewith or incidental to the accomplishment of any one or more of the objects and purposes of this Corporation;
 - (k) To make refunds of excess payments or charges to members as provided for in the Declaration or Bylaws;
 - (l) To lend or invest its working capital and reserves with or without security;
 - (m) In general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and required.

ARTICLE IV

Initial Business

The character of business that the Corporation initially intends to actually conduct in this state is the administration of the Subdivision.

ARTICLE V

Membership

No stock shall be issued by this Corporation, no dividends or pecuniary profit shall be paid to or inure to the benefit of its members. The initial member of this Corporation shall be the Declarant under the Declaration (the "Initial Member"). Further membership shall be limited to the title Owners of the Subdivision Lots and any undivided interest appurtenant thereto under the Declaration. Upon purchase of such a Lot, the purchaser thereof shall become a member of this Corporation and shall remain a member until such time as that member's Lot is conveyed, at which time that membership shall automatically cease. No certificates of membership shall be issued and membership shall be evidenced by an official list of Owners which shall be kept by the Secretary of this Corporation.

Each member shall be entitled to one vote for each Lot owned. In the event any Lot is owned by two or more persons the membership as to such Lot shall be joint and a single membership shall be issued in the names of all such Owners. Each Lot having a joint membership shall designate, in writing, which of their number shall hold the membership and have the power to vote that membership. In the absence of such designation, the Board of Directors shall make such designation. Voting may be in person or by proxy, but proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary of the Corporation before the appointed time of the meeting.

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In the conduct of its business, this Corporation, to the extent authorized by its Board of Directors, shall be empowered to do all the things that a private person or individual might do under the laws of the State of Arizona, including but not limited to the following:

- (a) To make and collect assessments against members to defray the costs of the Subdivision and to use the proceeds of assessments in the exercise of its powers and duties;
- (b) To maintain, operate, repair, rehabilitate, restore, replace and provide for the operation and management of the Subdivision property and all buildings, structures and improvements thereon;
- (c) To pay all taxes and assessments, if any, which may properly be levied against properties of this Corporation, and to repair, rehabilitate and restore all buildings, structures and improvements on said property;
- (d) To insure the Subdivision property and all buildings and structures thereon against such risks as the Board of Directors shall determine, or as may be required of it by existing laws or the Declaration;
- (e) To make and amend rules and regulations respecting the use of the Subdivision property, the conduct of persons thereon, and otherwise in connection with the Subdivision;
- (f) To impose liens against individual Units to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Declaration;
- (g) To do all things necessary to carry out and to enforce the terms and provisions of the Declaration, and to pay all maintenance, operating and other costs and to do all things and acts which in the sole discretion of the Board of Directors shall be deemed to be in the best interests of the members of this Corporation or for the peace, comfort, safety or general welfare of the members of this Corporation, all in accordance with the Declaration;
- (h) To contract for the management of the Subdivision and to delegate to the management entity such powers and duties as determined by the Board of Directors, subject to the provisions of the Declaration, these Articles, the Bylaws of this Corporation and the laws of the State of Arizona.
- (i) To purchase or otherwise acquire title to Units or to hold an exercise options to purchase the same, and to lease Units in this Corporation's name as lessee, and to sell and lease, or to grant options to lease and purchase Units; and, if this Corporation becomes the Owner or lessee of a Unit, to assume, agree to perform and perform all of the obligations of an Owner or lessee thereof, and to assume and agree to pay any mortgage or trust deed constituting a lien upon the Unit;

ARTICLE VI

Board of Directors

The affairs of this Corporation shall be conducted by a Board of Directors. The Board shall be composed of not less than three (3) members nor more than five (5) members. The Board of Directors shall be elected annually by the voting members at the annual meeting of the members of the Corporation and annual meetings of the Board of Directors of the Corporation shall be held on such date of each calendar year as shall be specified in the Bylaws, provided that the first annual meeting of the members of the Corporation shall be held no sooner than sixty (60) days after all memberships obtain voting rights under article V. Until the first annual meeting of the members and until their successors are designated or elected and qualified, the number of Directors constituting the initial Board of Directors shall be three (3) and the following persons shall constitute the initial Board of Directors of this Corporation:

<u>Name</u>	<u>Address</u>
James E. Marsh	2525 East Camelback Road Suite 530 Phoenix, Arizona 85016
Edwin C. Lynch	2525 East Camelback Road Suite 530 Phoenix, Arizona 85016
Debra W. Marsh	2525 East Camelback Road Suite 530 Phoenix, Arizona 85016

Except for the Directors designated by the Initial Member, each Director shall be an owner of a Lot and shall reside within the Subdivision. 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. Subject to the provisions set forth above, the Directors shall be elected at the annual meeting of the Corporation and shall hold office until the next annual meeting or until their successors have been elected and qualified. The above Directors shall hold office until their successors are duly elected and qualified. The Board of Directors shall have the power to amend and rescind the Bylaws as set forth and approved by the incorporator. Any and all vacancies on the Board of Directors, or in any office, may be filled by the remaining Directors and the person so chosen to fill a vacancy shall serve during the unexpired term of his predecessor or until his successors shall be elected and qualified.

ARTICLE VII

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 Homeowners 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, Secretary and Treasurer, and such other Officers as the Board sees fit, including a Vice President. The initial Officers of the Corporation shall be:

James E. Marsh

President

Edwin C. Lynch

Secretary

Debra W. Marsh

Treasurer

Who shall serve until their successors are appointed and qualified. Except for the initial Officers designated herein, or their successors named by the Initial Member, each Officer shall be an Owner of a Lot or the spouse of an Owner (or if an Owner is a corporation, partnership, or trust, the Officer may be an officer, director, partner, beneficiary or trustee of such Owner).

ARTICLE VIII

Indemnification

All Directors and Officers of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their being or having been a Director or Officer of the Corporation, or any settlement thereof, whether or not they are Directors or Officers at the time such expenses are incurred, provided that the Board shall determine, in good faith, that such Officer or Director did not act, fail to act, or refuse to act willfully or with gross negligence, or fraudulent or criminal intent in the performance of his or her duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Directors or Officers may be entitled, but shall not apply to the extent such liability, damage or injury is covered by insurance of any type.

ARTICLE IX
Limitation of Directors Liability

No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a Director; provided, however, that this Article IX shall not eliminate or limit the liability of a Director to the extent provided by applicable law for: (i) any breach of the Director's duty of loyalty to the Corporation or its members; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) any transaction from which the Director derived an improper personal benefit; or (iv) a violation of Section 10-1026 or 10-1097 of the Arizona Revised Statutes, as such sections are amended from time to time. The limitation of liability provided herein shall continue after a Director has ceased to occupy such position as to acts or omissions occurring during such Director's term or terms of office, and on amendment or repeal of this Article IX shall apply to or have any effect on the liability or alleged liability of any Director of the Corporation for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

ARTICLE X

Dissolution

Upon the dissolution of this Corporation, 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 Corporation, 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 corporations, clubs or associations 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 XI

Amendment

These Articles of Incorporation may be amended by an affirmative vote of a majority of members entitled to vote at any meeting for such purpose, except that the Board of Directors shall have the right and authority to amend these Articles of Incorporation to conform to the rules, regulations, or guidelines of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring obligations instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, FHA and VA. To the extent allowed by law, notice of any such proposed meeting and the contents of any proposed amendment need be given only to members entitled to vote and may be mailed, postage prepaid, to such voting members no earlier than thirty (30) days nor later than five (5) days prior to the date of such meeting and said notice may be waived by written waiver of all members entitled to vote, or notice of such meeting may be given by any other legal means in accordance with Arizona Law.

ARTICLE XII

Statutory Agent

The name and address of the Corporation's initial statutory agent is:
James E. Marsh, Member

2525 East Camelback Road
Suite 530
Phoenix, Arizona 85016

ARTICLE XIII

Incorporator

The name and address of the incorporator is:

James E. Marsh, Member

2525 East Camelback Road
Suite 530
Phoenix, Arizona 85016


All powers, duties and responsibilities of the incorporator shall cease upon filing of these Articles of Incorporation with the Arizona Corporation Commission.

ARTICLE XIV

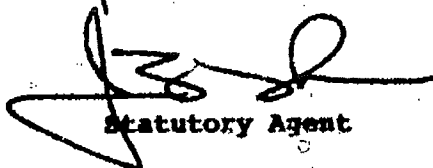
Conflict with Declaration

In the event any provisions of this instrument are inconsistent with or more permissive than any provision of the Declaration dealing with the same subject, the Declaration shall control and this instrument shall be interpreted accordingly.

DATED: November 1, 1995



incorporator



Statutory Agent

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2829

Tucson Address: 400 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-126 & 10-1084

THE PINES AT WASHINGTON
Lynch Marsh, LLC
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by election or appointment as officers, directors, incorporators and persons controlling or owning more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in this corporation:
 1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false representation, restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.
- B. For any person or persons who have been or are subject to one or more of the statements in items A.1 through A.3 above, the following information MUST be attached:

1. Full name and prior name(s) used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each case, including the court, date and location, the court case number involved and file or cause number of each case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1063

- C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation, or as a major stockholder, possessing or controlling any proprietary, beneficial or membership interest in this corporation, or (b) in any capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its operations suspended or revoked?

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION IN SUPPORT OF YOUR ANSWER:

1. Name and address of the corporation.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated.
 - (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or revocation, including the date, court, case number and the file or cause number of the case.

DEC 21 1995

Under penalties of law, the undersigned incorporator(s)/Officers declare that we have examined this Certificate, including any attachments and to the best of our knowledge and belief it is true, correct and complete.

BY [Signature] DATE 12/17/95
THE PINES AT WASHINGTON, L.L.C.

BY _____ DATE _____

TITLE _____

TITLE _____

TITLE _____

TITLE _____

FISCAL DATE: 12/15

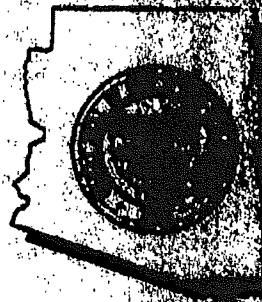
ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If there are more than four incorporators, please attach remaining signatures on a separate sheet.

When initial officers have been elected, an AMENDED Certificate of Disclosure must be filed (90) days of original filings and must be signed by the initial officers.

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STATE OF ARIZONA

Department of State



CERTIFICATE OF TRADE NAME follows:

THE PINES AT WOODLANDS VILLAGE

I, Jane Dee Hull, Secretary of State, do hereby certify that in accordance with the Trade Name Application filed in this Office, the Trade Name herein certified has been duly registered pursuant to Section 44-1460.01, Arizona Revised Statutes, in behalf of:

LYNCH-MARSH, L.L.C.
6991 E. CAMELBACK ROAD, STE 225
SCOTTSDALE, AZ 85251

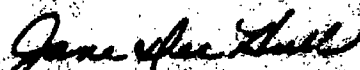
Registration Date: September 11, 1995

Expiration Date: September 11, 2000

Date First Used: March 1, 1995

Trade Name No.: 148203

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at Phoenix, this 12th day of September, 1995.


JANE DEE HULL
Secretary of State

