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FOR
DATE: 12/10/99
PREPARED BY: Janet Jayla
DATE: _____
DATE: _____

ARTICLES OF INCORPORATION
OF

0896944-2 CITRUS HEIGHTS HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves for the purpose of forming a corporation under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation.

1. **Name.** The name of this corporation (hereinafter "**Association**") is **CITRUS HEIGHTS HOMEOWNERS ASSOCIATION.**

2. **Duration.** The period of duration of the Association shall be perpetual.

3. **Principal Place of Business.** The principal office for the transaction of business of the Association is located in Maricopa County, Arizona.

4. **Statutory Agent.** The name and address of the initial Statutory Agent for the Association is:

JON C. CONNER
5727 North 7th Street, Suite 208
Phoenix, Arizona

5. **Nonprofit Corporation.** This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

6. **Purpose and Powers.** This Association does not contemplate the distribution of gains, profits or dividends to its Members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Common Area and all other areas for which the Association has such responsibilities within that certain tract of property situated in the City of Phoenix, Maricopa County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions and Restrictions (the "**Declaration**") to be recorded on, Lots 1 (one) through 63 (63), and Tracts A through F, inclusive, Citrus Heights, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 516 of Maps Page 02 (99-1013660), (to be known as Citrus Heights) and to promote the health, safety and welfare

of all 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, all according to the Declaration.

In furtherance of said purposes, this Association shall have the powers to:

- a. Perform all of the duties and obligations of the Association as set forth in the Declaration;
- b. Fix, levy, collect and enforce Assessments Charges and fines as set forth in the Declaration and Bylaws;
- c. Pay all expenses and obligations incurred by the Association in the conduct of its business including without limitation, all licenses, taxes or governmental charges levied or imposed against the Common Area;
- d. 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;
- e. Grant non-exclusive easements over the Common Area to any Person for purposes beneficial to the Members;
- f. Borrow money and, only with the assent (by vote or written consent) of two-thirds (2/3) of each class of Members, mortgage, pledge, deed in trust or hypothecate any or all personal or real property (including the Common Area) as security for money borrowed or debts incurred;
- g. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the Members if an instrument has been signed by two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer;
- h. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any merger or consolidation shall have the assent by vote or written consent of two-thirds (2/3) of each class of Members; and
- i. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Non-profit Corporation Act (A.R.S. § 10-3101 et seq.) may now or hereafter have or exercise.

7. **Membership Voting Rights.** The number and qualifications of Members of the Association, the different classes of Membership, if any, the property, voting and other rights and privileges of Members, their liability for Assessments and the method of collection thereof shall be as

set forth in the Declaration and the Bylaws.

8. **Board of Directors.** The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors (the exact number and qualifications of which shall be fixed by the Bylaws, or amendments thereof, duly adopted by the Members or by the Board of Directors). The number of Directors may be changed by amendment to the Bylaws. The initial Directors, who shall serve until their successors are elected or appointed according to the Bylaws, are as follows:

R. Barry Tull
5727 N. 7th Street, # 208
Phoenix, Arizona 85014

Jon C. Conner
5727 N. 7th Street, # 208
Phoenix, Arizona 85014

Scott Nalda
5727 N. 7th Street, # 208
Phoenix, Arizona 85014

9. **Indemnification of Officers, Directors, Employees and Agents and Limitation of Liability.** The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law. To the fullest extent permitted by the Arizona Revised Statutes, as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the Corporation occurring prior to such repeal, amendment or modification.

10. **Dissolution.** In the event of dissolution, liquidation or winding up of the Association (other than incident to a merger or consolidation), the Association shall pay or adequately provide for the debts and obligations of the Association and other-wise comply with the Arizona Nonprofit Corporation Act. The Directors or Persons in charge of the liquidation shall dedicate the assets of the Association to an appropriate public agency to be used for purposes similar to those for which this Association was created or if such dedication is refused acceptance, then such assets may be granted, transferred or conveyed to any nonprofit corporation, association, trust or other organization devoted to similar purposes. If such actions are not feasible, said Directors or other Persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights therein as set forth in the Declaration, except as otherwise required by law.

11. **Amendments.** These Articles may be amended by the vote or written assent of Members representing sixty-seven (67%) of the total voting power of each class of Membership in the Association, provided however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

12. **FHA/VA Approval.** As long as there is Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration if either of those agencies has approved the proposed development plan of the Project: annexation of additional property, mergers and consolidations, mortgaging of Common Area, dedication of Common Area and dissolution and amendment of these Articles.

13. **Incorporators.** The Incorporators and their names and addresses are:

R. Barry Tull
5727 North 7th Street, Suite 208
Phoenix, Arizona

Jon C. Conner
5727 North 7th Street, Suite 208
Phoenix, Arizona

14. **Definitions.** All initially capitalized terms used herein without definition shall have the meanings set forth for such terms in the Declaration.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, we, the undersigned, constituting the Incorporators of this Association, have executed these Articles of Incorporation this 29th day of November, 1999.

INCORPORATORS:



R. BARRY TULL



JON C. CONNER