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GREENBERG TRAUB



AZ CORPORATION LIMITED  
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FILE NO. 12472070

ARTICLES OF INCORPORATION  
OF  
PASEO DEL RIO COMMUNITY ASSOCIATION,  
an Arizona non-profit corporation

Article 1. Name. The name of the corporation is Paseo Del Rio Community Association (the "Association").

Article 2. Non-profit Corporation. The Association is formed as a nonstock, non-profit corporation under the laws of the State of Arizona. The Association shall make no distributions of income to its Members, Directors or officers.

Article 3. Article 1. Principal Office. The mailing address of the initial principal office of the Association is 3275 West Inn Road, Suite 210, Tucson, Arizona 85741.

Article 4. Definitions. All capitalized terms used herein which are not defined shall have the same meanings as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Paseo Del Rio, recorded as Document 12617, page 3759, in the Official Records of Pima County, Arizona (the "Declaration").

Article 5. Initial Business and Purposes. The initial business and purposes for which the Association is organized are:

- a. To be and constitute the Association in which reference is made in the Declaration, to perform all obligations and duties of the Association and to exercise all rights and powers of the Association as specified in the Declaration, in the Bylaws of the Association (the "Bylaws") and in the other Project Documents and as provided by law; and
- b. To provide an entity for the furtherance of the interests of the Owners of Lots subject to the Declaration.

Article 6. Powers. The Association shall have all of the common law and statutory powers conferred upon non-profit corporations under Arizona law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the Bylaws, the Declaration or the other Project Documents, including, without limitation, the power:

- a. To file, collect and enforce payment by any lawful means of Assessments and other charges to be levied against Lots;
- b. To manage, control, operate, maintain, repair and improve all Areas of Association Responsibility and any other property for which the Association by rule, regulation, covenant or contract has a right or duty to provide such services;

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c. To enforce covenants, conditions and restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or any other Project Documents;

d. To engage in other activities which will actively foster, promote and advance the common interests of all Owners of Lots subject to the Declaration;

e. To buy or otherwise acquire, sell, dedicate for public use or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, own, hold, use, operate and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or the Project Documents;

f. To borrow money for any purpose, subject to such limitations as may be contained in the Declaration or other Project Documents;

g. To enter into, make, perform or enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other corporation, association or other entity or agency, public or private;

h. To take any other action as may be authorized or contemplated under the Declaration.

i. To adopt, alter and amend or repeal the Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and

j. To provide any and all supplemental municipal services to the Project as may be necessary or proper.

The foregoing enumeration of powers shall not limit nor restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

**Article 7. Members.**

a. The Owner of each Lot shall be a Member of the Association and shall be entitled to vote in accordance with the terms of the Declaration and the Bylaws.

b. The Association shall have two classes of membership, Class "A" and Class "B". The Class "A" Members shall be all Owners, except Declarant shall not be a Class "A" Member so long as the Class "B" Membership is in existence. The Class "B" Member shall be the Declarant. The Class "A" Members' and Class "B" Members' rights and obligations are specified in the Declaration and Bylaws. The manner of exercising voting rights shall be as set forth in the Declaration and in the Bylaws.

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c. Change of membership in the Association shall be established by recording in the Official Records of Pima County, Arizona, a deed or other instrument establishing record title to Lot subject to the Declaration. Upon such recording and the payment of the transfer fee provided for in the Declaration, the Owner designated by such instrument shall become a Member of the Association and the membership of the prior Owner shall be terminated.

d. The share of a Member in the privileges, rights and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance of its Lot.

Article 8. Duration and Dissolution. The Association shall exist perpetually. However, subject to restrictions imposed by the Declaration, the Association may be dissolved with the written consent of not less than two-thirds (2/3rds) of each class of Members. Upon dissolution, the Association's assets remaining after payment or provisions of payment of all known debts and liabilities of the Association shall be distributed exclusively to one or more public agencies, utilities, non-profit corporations, trusts or other organizations to be devoted to purposes as near as practical to those to which the Association was to be required to be devoted.

Article 9. Directors.

a. The affairs of the Association shall be conducted, managed and controlled by a Board of Directors. As long as the Class "B" Membership is in existence, the Board need only have one (1) Director. The number of Directors shall be increased to a minimum of three (3) and a maximum of five (5) upon the termination of the Class "B" Membership and may be further increased in accordance with the Bylaws. As long as the Class "B" Membership is in existence, Directors need not be Members.

b. The name and address of the member of the initial Board, who shall hold office until his successor is elected and qualified, or until removed, is as follows: Jeffrey Gabriela, 3275 West Las Road, Suite 220, Tucson, Arizona 85741. The foregoing person has consented to be a Director.

c. The method of election, removal and filling of vacancies on the Board and the term of office of Directors shall be as set forth in the Declaration and the Bylaws.

d. The Board may delegate its operating authority to such entities, individuals and committees as it, in its discretion, may determine.

Article 10. Bylaws. The Bylaws shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws.

Article 11. Liability of Directors, Officers and Committee Members. To the fullest extent that Arizona law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no Director, officer or committee member of the Association shall be personally liable to the Association for monetary damages for breach of duty of care or other duty as a Director, officer

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or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any Director, officer or committee member of the Association for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

**Article 12. Amendments.** Amendments to these Articles may be adopted by approval of Members representing two-thirds (2/3rds) of the total Class "A" votes in the Association and, so long as the Class "B" Membership is in existence, all such amendments shall require the approval of the Declarant. However, in no event shall any amendment be in conflict with the Declaration or impair or abridge any rights of Members that are governed by such Declaration. Notwithstanding anything herein to the contrary, so long as there is a Class "B" Membership, the Declarant, without the consent of any Member, may amend these Articles to conform to the requirements or guidelines of the FEA, VA, or any other federal, state or local agency whose approval or consent is required or requested by Declarant or the Association.

**Article 13. Incorporator.** The name and address of the incorporator of the Association is as follows: Lisa Harkin, 3275 West Inn Road, Suite 220, Tucson, Arizona 85741.

**Article 14. Statutory Agent.** The Association hereby appoints C. Timothy White, Esq., whose address is Greenberg Traugot, LLP, 2375 East Camelback Road, Suite 700, Phoenix, Arizona 85016, who is now and has been for more than three (3) years past, a bona fide resident of the State of Arizona, as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served and which, when served, shall be lawful, personal service upon the Association. The Association may, at any time, appoint another agent for such purpose and the filing of such appointment shall revoke that or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 14<sup>th</sup> day of September, 2005.

Lisa Harkin  
Lisa Harkin, Incorporator