



ARIZONA CORPORATION COMMISSION

MERRILL CANTATIERRA HOMEOWNERS ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on AUGUST 15 1988.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in MARICOPA County, for three (3) consecutive publications. An Affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is DECEMBER 31 1988. A preprinted Annual Report form will be mailed to you during that month.

If you have any questions or need further information, please contact us at (602) 255-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

JOAN HANCOCK

Examiner Technician
Corporations Division
Arizona Corporation Commission

ARTICLES OF INCORPORATION
OF
MERRILL CANTATIERRA HOMEOWNERS ASSOCIATION

AUG 15 11 50 AM '88
Jan H. H. H.
DATE _____
TERM _____
DATE _____

In compliance with the requirements of Arizona Revised Statutes §10-1001, et seq., as they may be amended from time to time, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a nonprofit corporation, and do hereby certify:

207505

ARTICLE I

NAME

The name of the corporation is Merrill Cantatierra Homeowners Association (the "Association").

ARTICLE II

DEFINED TERMS/CONFLICTING PROVISIONS

Capitalized terms used in these Articles of Incorporation without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, and Restrictions for Merrill Cantatierra recorded on _____, 1988, with the Recorder of Maricopa County, Arizona, in Instrument No. _____ (the "Declaration"), the terms and provisions of which are incorporated into these Articles of Incorporation by this reference as if set forth herein. In the event of any conflict or inconsistency between the Declaration and these Articles, the Declaration shall control.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 6330 East Mockingbird Lane, Paradise Valley, Arizona, 85253.

ARTICLE IV

STATUTORY AGENT

Bruce Francis, whose address is 4841 North Scottsdale Road, Suite 203, Scottsdale, Arizona, 85251, 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 the initial statutory agent for the Association.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which the Association is organized is to provide for the management, maintenance, and care of the Common Areas and to perform such other duties as are imposed upon the Association under the Declaration. 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 that the Association initially intends to conduct in Arizona is to provide for the management, maintenance, and care of the Common Areas and to exercise and perform such other powers and duties as are imposed upon or granted to the Association under the Declaration.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

Membership in the Association shall be limited to the Owners. Each Owner shall have such rights, privileges, and votes in the Association as are set forth in the Declaration.

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 as directors until the first annual meeting of the Members or until their successors are elected and qualified, are as follows:

<u>Name</u>	<u>Mailing Address</u>
Bruce Merrill	6330 East Mockingbird Lane Paradise Valley, Arizona 85253
Virginia M. Merrill	6330 East Mockingbird Lane Paradise Valley, Arizona 85253
Bruce Francis	4841 North Scottsdale Road Suite 203 Scottsdale, Arizona 85251

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend, or repeal the Bylaws is reserved to the Members.

ARTICLE IX

OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Board of Directors and until their successors have been elected and qualified:

Bruce Merrill	President
Bruce Francis	Vice-President
Virginia M. Merrill	Secretary/Treasurer

ARTICLE X

DISSOLUTION

The Association may be dissolved by the adoption of a resolution to dissolve by the Board of Directors, which resolution to dissolve shall be adopted by the Class B Member, if any, and at least ninety percent (90%) of the Class A Members other than Declarant then entitled to vote at an election held for such purpose. Upon any dissolution of the Association, other than incident to a merger or a consolidation, the assets of the Association shall be dedicated, granted, conveyed, or assigned to any nonprofit corporation, association, trust, or other organization designated by the Members approving the dissolution as being the entity that will thereafter perform the duties and obligations of the Association under the Declaration.

ARTICLE XI

AMENDMENTS

These Articles of Incorporation may be amended by Members representing at least seventy-five percent (75%) of the total votes then entitled to be cast by each class of Members.

ARTICLE XII

DURATION

The Association shall exist perpetually.

ARTICLE XIII

INCORPORATOR

The names and addresses of the incorporators of this Association are:

<u>Name</u>	<u>Mailing Address</u>
Bruce Merrill	6330 East Mockingbird Lane Paradise Valley, Arizona 85253
Virginia M. Merrill	6330 East Mockingbird Lane Paradise Valley, Arizona 85253

ARTICLE XIV

LIABILITY OF DIRECTORS

In accordance with Arizona Revised Statutes §10-1029, the directors of this Association shall not be liable for monetary damages to the Association or its members for breach of fiduciary duty as a director except as follows:

(a) Any breach of the director's duty of loyalty to the Association 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 Arizona Revised Statutes §10-1026, et.seq.

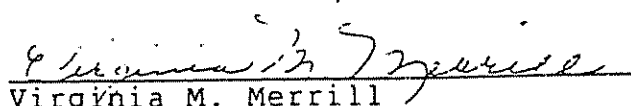
(d) Any transaction from which the director derived an improper personal benefit; or,

(e) A violation of Arizona Revised Statutes §10-1097, et.seq.

Dated this 5th day of August, 1988.



Bruce Merrill



Virginia M. Merrill

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 5th day of August, 1988, by Bruce Merrill, as an incorporator of Merrill Cantatierra Homeowners Association, an Arizona non-profit corporation.

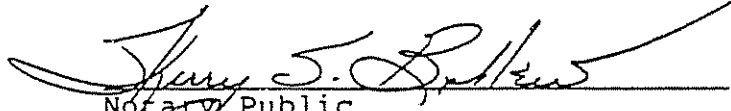

Notary Public

My Commission Expires:

~~My Commission Expires Apr. 16, 1991~~

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 5th day of August, 1988, by Virginia M. Merrill, as an incorporator of Merrill Cantatierra Homeowners Association, an Arizona nonprofit corporation.


Notary Public

My Commission Expires:

~~My Commission Expires Apr. 16, 1991~~

CONSENT TO ACT AS STATUTORY AGENT

I, Bruce Francis, having been designated to act as Statutory Agent for Merrill Cantatierra Homeowners Association, an Arizona nonprofit corporation, hereby consent to act in that capacity until my removal or resignation is submitted in accordance with the Arizona Revised Statutes.

