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ARTICLES OF INCORPORATION  
OF  
CARMEL POINTE HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND PERPETUAL DURATION

The name of the corporation is Carmel Pointe Homeowners Association, hereafter called the "Corporation". The Corporation is a non-profit corporation under Arizona law, A.R.S. § 10-1002, et seq. The period of duration shall be perpetual.

ARTICLE II

OFFICE

The principal office of the Corporation is located at 10600 La Canada Drive, Oro Valley, Arizona 85737.

ARTICLE III

STATUTORY AGENT

General Investment Company, whose address is 400 East Van Buren, One Arizona Center, Phoenix, Arizona 85004-0001, is the statutory agent of this Corporation.

ARTICLE IV

PURPOSE AND POWERS OF THE CORPORATION

This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to promote the health, safety and welfare of its Members and to provide for maintenance, preservation and

architectural control of certain common areas within the subdivision in Pima County, Arizona, known as Carmel Pointe. The subdivision is governed by the Tract Declaration of Covenants, Conditions, Restrictions and Easements for Carmel Pointe (the "Declaration") recorded in the office of the Pima County Recorder, and any capitalized terms not otherwise defined herein shall have the meanings assigned to them by the Declaration.

The Corporation shall have the power to participate in mergers and consolidations with other corporations organized for the same purposes or annex additional residential property, streets, roadways or alleys. Consolidation or annexation, except as provided in the Declaration, shall have the assent of at least two-thirds of the votes of each class of Members at a quorum of Members voting in person or by proxy.

The corporation shall not carry on any activities not permitted to be carried on by a homeowners association exempt from Federal Income Tax under Section 528 of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Revenue Law.

## **ARTICLE V**

### **MEMBERSHIP**

Membership shall be determined as provided in the Declaration. Each Owner of a Lot shall be entitled to membership, and membership shall be appurtenant to ownership.

## **ARTICLE VI**

### **VOTING RIGHTS**

The Members' voting rights shall be determined as provided in the Declaration. There shall be two classes of membership, Class A and Class B. The Class B shall be the Declarant, who shall have three votes for each Lot owned, and the Class A shall be all other Lot Owners, who shall have one vote for each Lot.

The Class B Membership shall cease and convert to Class A Membership on the earlier of the following events: a) four (4) years following the conveyance of the first Lot to an Owner other than Declarant; and b) when the total Class A votes equal the total Class B votes.

## **ARTICLE VII**

### **INITIAL BUSINESS**

The character of business which the Corporation initially intends actually to conduct in this state is the operation of a homeowners association.

## **ARTICLE VIII**

### **BOARD OF DIRECTORS**

The affairs of this Corporation shall be managed by a Board of Directors of not less than three persons. The number and term of Board members shall be provided in the Bylaws of the Corporation. The names and addresses of the persons elected to serve as Directors until the next annual meeting of Members or until their successors are elected and qualified are:

Craig L. Krumwiede  
2425 E. Camelback Rd., Ste. 900  
Phoenix, Arizona 85016

Mark Weinberg  
2425 E. Camelback Rd., Ste. 900  
Phoenix, Arizona 85016

Bill Berezan  
2425 E. Camelback Rd., Ste. 900  
Phoenix, Arizona 85016

## **ARTICLE IX**

### **ORIGINAL INCORPORATORS**

The original incorporator is Mark Weinberg whose address is 2425 E. Camelback Road, Ste. 900, Phoenix, Arizona 85016.

## **ARTICLE X**

### **ADDRESS OF CORPORATION**

The address of the Corporation's known place of business is 10600 La Canada Drive, Oro Valley, Arizona 85737.

## **ARTICLE XI**

### **DISSOLUTION**

The Corporation may be dissolved only in accordance with the provisions of the Declaration and in accordance with the Arizona law. Any dissolution shall be approved in writing by not less than the holders of seventy-five (75%) percent of the total votes of Members entitled to vote and, upon dissolution, other than incident to a merger or consolidation, the assets shall be dedicated to an appropriate public agency

to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

## **ARTICLE XII**

### **LIMITATION OF DIRECTORS' LIABILITY**

The personal liability of the directors to the corporation or its Members for monetary damage for breach of fiduciary duty is eliminated to the fullest extent permitted by applicable law. Neither this provision nor any other provision in these Articles shall eliminate or limit the liability of a director for any of the following:

- (a) Any breach of any such person's duty of loyalty to the corporation 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 A.R.S. § 10-1026 (issuance of shares of stock and distribution of income or profit to Members, directors or officers prohibited).
- (d) Any transaction from which the director derived an improper personal benefit.
- (e) A violation of A.R.S. § 10-1097 (director conflicts of interest).

For purposes of this provision, "director" shall include trustees or persons who serve on a board or council of the corporation in an advisory capacity.

## **ARTICLE XIII**

### **INDEMNIFICATION**

Pursuant to A.R.S. § 10-1017.D, any person who serves as a director or who serves on a board or council in an advisory capacity to the nonprofit corporation or board of directors of the nonprofit corporation shall be immune from civil liability and shall not be subject to suit directly or by way of contribution for any act or omission resulting in damage or injury if such person was acting in good faith and within the scope of his official capacity, unless such damage or injury was caused by willful and wanton or grossly negligent conduct of such person, providing that such limitation of liability does not modify the duties or liabilities of a director or person serving in an advisory capacity to the corporation or the corporation's Members.

## **ARTICLE XIV**

### **AMENDMENT**

These Articles may be amended by the approval of Lot Owners owning at least two-thirds (2/3) of the Lots within the Properties, but no amendment may conflict with the Declaration or affect any reserved rights of the Declarant. So long as there is a Class B Membership, however, the following actions will require the prior approval of the Federal Housing Administration (FHA) or the Veterans Administration (VA), as applicable, if such agencies have previously approved of these Article of Incorporation: annexation of additional property (unless already provided for in the Declaration or in a phasing plan approved by FHA or VA, in which case Declarant may accomplish such

Annexation without further consent), mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

#### ARTICLE XV

##### CONFLICTS

In the case of any conflict between the terms hereof and the Declaration, the Declaration shall always control, and in the case of a conflict with the Bylaws, these Articles of Incorporation shall control.

DATED: April 29, 1994.

INCORPORATOR:

  
\_\_\_\_\_  
Mark Weinberg

#### CONSENT OF STATUTORY AGENT

General Investment Company, having been designated to act as Statutory Agent, hereby consents to act in that capacity until removed or its resignation is submitted.

Dated: ~~March~~ June 1, 1994.

GENERAL INVESTMENT COMPANY

By: 

Name: Ramona Cato

Title: Assistant Secretary