

CORP. COMMISSION
FILED

EXPEDITED

FEB 7 2003

ARTICLES OF INCORPORATION
OF
COLINAS DE ORO HOMEOWNERS ASSOCIATION

PPR. Sandra Reedy
EFIM
DATE 2-7-2003
-1064269-3

ARTICLE I
NAME AND PERPETUAL DURATION

The name of the corporation is Colinas de Oro Homeowners Association, hereafter called the "Corporation". The Corporation is a non-profit corporation under Arizona law. The period of duration shall be perpetual.

ARTICLE II
OFFICE

The principal office of the Corporation is located at 5151 East Broadway, Suite 1100, Tucson, Arizona 85711-3706.

ARTICLE III
STATUTORY AGENT

F. Michael Cadden, whose address is 1870 W. Prince Road, Suite 47, Tucson, Arizona 85705, 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 architectural control of the subdivision in Pima County, Arizona known as Colinas de Oro (the "Properties") and maintenance and preservation of certain Common Areas and other areas of responsibility of the Corporation. The subdivision is governed by the Declaration of Covenants, Conditions, Restrictions and Easements for Colinas de Oro (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 1986 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 (2) classes of membership, Class A and Class B. The Class B shall be the Declarant and Developer, and the Class A shall be all other Lot Owners. Declarant and Developer shall have three (3) memberships and three (3) votes for each Lot owned within the Properties, all as set forth in the Declaration. Class A Members shall have one (1) vote for each Lot owned.

The Class B Membership shall cease and convert to Class A Membership on the earlier of the following events: a) Ninety (90) days after such time as the total Class A votes equal the total Class B votes; or b) Five (5) years following the conveyance of the first Lot to an Owner other than Declarant or Developer.

ARTICLE VII INITIAL BUSINESS

The character of business that the Corporation initially intends actually to conduct in this state is the operation of a homeowners association and the maintenance of such Common Areas and other properties as may be described in the Declaration as areas of responsibility of the Corporation.

ARTICLE VIII BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a Board of Directors of not less than three (3) 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:

James Green
c/o U.S. Home Corporation
5151 East Broadway Boulevard, Suite 1100
Tucson, Arizona 85711-3706

Brett Lemar
c/o U.S. Home Corporation
5151 East Broadway Boulevard, Suite 1100
Tucson, Arizona 85711-3706

Pio Moniz
c/o U.S. Home Corporation
5151 East Broadway Boulevard, Suite 1100
Tucson, Arizona 85711-3706

ARTICLE IX ORIGINAL INCORPORATORS

The original incorporator is U.S. Home Corporation, whose address is 5151 East Broadway Boulevard, Suite 1100, Tucson, Arizona 85711-3706.

ARTICLE X ADDRESS OF CORPORATION

The address of the Corporation's known place of business is 5151 East Broadway Boulevard, Suite 1100, Tucson, Arizona 85711-3706.

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 the holders of not less than 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 for monetary damage for any action taken or any failure to take action as a director is eliminated to the fullest extent permitted by A.R.S. § 10-3202(B)(1), as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit corporation code.

ARTICLE XIII INDEMNIFICATION

The Corporation may indemnify any person against liability and expenses, including without limitation, attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably suffered or incurred by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity, in all circumstances in which, and to the extent that, such indemnification is permitted by A.R.S. §§ 10-3202, 10-3851, as such provisions may hereafter be amended or renumbered, or the analogous provision of any future Arizona

nonprofit corporation code. Any indemnification hereunder shall be made by the Corporation only as authorized by the Board of Directors pursuant to A.R.S. § 10-3855, as it may hereafter be amended or renumbered, or the analogous provision of any future Arizona nonprofit code.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation or was serving at the request of the Corporation as a officer or director against any liability asserted against such officer or director and incurred by such officer or director in any such capacity or arising out of the officer's or director's status as such whether or not the Corporation would have had the power to indemnify such officer or director against such liability under this Article.

The right of indemnification herein above permitted shall not be exclusive of any rights to which any director or officer of the Corporation may otherwise be entitled by law, including mandatory indemnification under A.R.S. § 10-3852.

ARTICLE XIV AMENDMENT

These Articles may be amended by the vote of Lot Owners owning at least three fourths (3/4) of the Lots within the Properties, but no amendment may conflict with the Declaration or affect any reserved rights or privileges or exemptions of the Declarant, and amendments shall first be proposed by the Board of Directors to the extent required by law. Notice of proposed amendments and the member meeting at which such will be considered shall be given to the members in accordance with the notice provisions set forth in the Bylaws. So long as there is a Class B Membership the consent of the Declarant shall be required for any amendment hereto. Further, so long as there is a Class B Membership 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 upon application by Declarant: 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. Amendment of the Corporation Bylaws may be made by the Board of Directors of the Corporation, subject to amendment or repeal by the vote of not less than three fourths (3/4) of each Class of Members voting at a meeting at which a quorum of members is present. Declarant reserves the absolute right of its own volition, and without any other consent, to amend these Articles should such amendment be required in order to achieve compliance with the regulations of FHA, VA or the Federal National Mortgage Association.

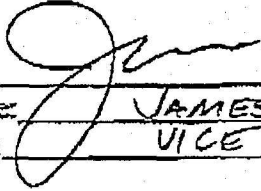
ARTICLE XV CONFLICTS

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: 1/16/03, ~~2002~~ 2003

INCORPORATOR

U.S. HOME CORPORATION

By: 
Name: JAMES R GREEN
Title: VICE PRESIDENT

JAN-28-2003 15:48

CADDEN MANAGEMENT

520 742 2618 P.02/02

CONSENT OF STATUTORY AGENT

F. Michael Cadden, having been designated to act as Statutory Agent, hereby consents to act in that capacity until removed or its resignation is submitted.

DATED: 1-26-03 2003

F. Michael Cadden

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