

AZ. CORP. COMMISSION
FILED

SEP 23 1992

ARTICLES OF INCORPORATION
OF

PIONEER VALLEY HOMEOWNERS ASSOCIATION, INC. Oct 1 2 50 PM '92

R. _____
M. _____
E. _____

1. Name. The name of this corporation, which is a non-profit Arizona corporation, is the PIONEER VALLEY HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

2. Incorporator. The name, residence and mailing address of the incorporator is as follows:

Kevin Randle
10430 Roan Road
Flagstaff, AZ 86004

Lorraine Randle
10430 Roan Road
Flagstaff, AZ 86004

3. Board of Directors. The business of this Association shall be conducted by a Board of no less than three (3) Directors and such officers and committees as may from time to time be appointed by the Directors.

3.1. Initial Board. The names and addresses of the persons who are to serve on the initial Board of Directors are:

Kevin Randle
10430 Roan Road
Flagstaff, AZ 86004

Lorraine Randle
10430 Roan Road
Flagstaff, AZ 86004

Anthony J. Fernicola, Jr.
6220 Silver Saddle Road
Flagstaff, AZ 86004

3.2. Selection of Directors. The Directors shall be selected in accordance with the procedures described in these Articles and in the Bylaws.

3.3. Term of Directors. Directors shall hold office for a term of one (1) year or until their successor is duly elected and qualified. Directors may succeed themselves and may resign at any time by written notice to the Board. Directors may be removed for cause by a majority vote of the Directors. Any vacancy occurring in the Board of Directors may be filled at any meeting of Directors by the remaining Director or Directors.

5. Statutory Agent. Lorraine Randle, whose address is 10430 Roan Road, Flagstaff, Arizona, ^{is} hereby appointed the lawful agent of this Association upon whom all notices and process, including summons, may be served and which, when so served, shall be lawful, personal service upon the Association. The Directors may, at any time, appoint another agent for such purpose and the filing of such other appointment shall revoke this or any other previously appointment of such agent.

6. Purpose of the Association. The Association is established as a non-profit corporation and does not contemplate pecuniary profit, gain or private advantage for the incorporators, Directors, officers or the Association. No part of the net earnings, if any, of the Association shall inure to the benefit of any member or private individual other than by acquiring, constructing or providing management, maintenance and care of the Association property, and other than by rebate of excess dues, fees or assessments. The specific purpose for which the Association is formed is to provide for the maintenance, preservation and architectural control of the Lots and Common Areas within the PIONEER VALLEY Subdivision, a subdivision located in Coconino County, Arizona. Any capitalized terms used in these Articles and not otherwise defined herein shall have the meaning established by the Declaration of Covenants, Conditions, and Restrictions recorded relevant to said subdivision, hereinafter "Declaration".

7. Powers of the Association. The Association shall promote the health, safety and welfare of the owners of the Property and in that connection shall perform the following functions:

7.1. Declaration. Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

7.2. Assessments. Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property;

7.3. Property. 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 including without limitation, common areas, in connection with the affairs of the Association;

7.4. Borrow. Borrow money, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

7.5. Transfer. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

7.6. Contract. Enter into, perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Association; and

7.7. Miscellaneous. Have and exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation law of the state of Arizona now or hereafter lawfully may have or exercise.

8. Membership. The Association shall be a non-stock corporation owned by its Members. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot within the Property, including contract vendees, shall be a Member of the Association, provided however, that pursuant to the Declaration, in the event of joint ownership of a Lot there shall only be one Member. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot within the Property. It shall be discretionary with the Board of Directors as to whether membership certificates shall be issued. The Developer may issue certificates of membership in the Association. Any Lot owner's membership in the Association shall remain valid and binding notwithstanding any loss or destruction of any membership certificates. The membership certificates, if issued, shall have express notations affirming that they may not be assigned or conveyed independent of a Lot with any Association. Upon request from any Lot owner, the Association may issue confirming or duplicate certificates if any specific membership certificate is lost or destroyed. Only one membership certificate shall be issued per Lot. Subject to the Developer's right to appoint Directors prior to the Transition date, as established in the Declaration, the Directors shall be elected by a majority vote of the Members voting in the manner described herein. The vote for each Lot must be cast as a unit, and a division of votes shall not be allowed. If joint owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it thereafter will be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same Lot. In the event more than one voter casts the vote or votes for a particular Lot, none of the votes

shall be counted and such votes shall be void. At the option of the Board, the election of Directors may be conducted either by written ballot duly mailed to the Members or at a meeting of the Members. The three (3) candidates receiving the highest number of votes shall be deemed elected.

9. Time of Commencement. The Association shall come into existence on the date of the filing of these Articles with the Arizona Corporation Commission.

10. Dissolution. The Association may be dissolved by a resolution of a majority of the Board of Directors and approved by two-thirds (2/3) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purpose.

11. Exemption of Private Property. The private property of each and every officer, Director and Member of this Association shall at all times be exempt from all debts and liabilities of the Association.

12. Indemnification of Officers, Directors, Employees and Agents. Subject to the further provisions hereof, the Association shall indemnify any and all of its existing and former Directors and officers, and may indemnify any and all of its existing and former employees and agents, against all expenses incurred by them and each of them, including but not limited to legal fees, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as Director, officer, employee or agent of the Association, whether or not any settlement or compromise is approved by a court. Indemnification shall be made as to officers and Directors, and may be made as to employees or agents, by the Association whether the legal action brought or threatened is brought by or in the right of the Association or by any other person, whenever any Director, officer, employee or agent shall report to the President of the Association that he or she has incurred or may incur expenses, including but not limited to legal fees, judgments, penalties and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting within

the scope of his or her employment as Director, officer, employee or agent of the Association. The Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act or refused to act willfully or with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory as to officers and Directors, and discretionary as to employees and agents, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and, provided further, that the Association shall have the right to refuse indemnification in any instances in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in the action.

13. Amendments. The Association reserves the right to amend, alter, change or repeal any provision contained in these Articles and all rights acquired by the Members of the Association under these Articles are acquired subject to that reservation. The Articles may be amended only by the affirmative vote of seventy-five (75%) of the members of the Association.

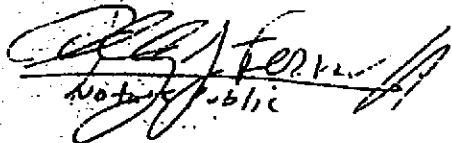
IN WITNESS WHEREOF for the purpose of forming the corporation under the laws of the State of Arizona, we, the undersigned, constituting all of the incorporators of this Association, have executed these Articles of Incorporation this 22nd day of September, 1992.


Kevin Randle


Lorraine Randle

State of Arizona
County of Coconino

Subscribed and sworn to and
acknowledged before me this
22nd day of September, 1992


Notary Public