

**CIVANO 1: NEIGHBORHOOD 1  
ARTICLES OF INCORPORATION  
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APR 02 1998

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

ARTICLES OF INCORPORATION  
OF

CIVANO I: NEIGHBORHOOD I ASSOCIATION, INC.,

AZ. CORP. COMMISSION  
FOR THE STATE OF AZ.  
FILED

FEB 12 4 38 PM '98

APR \_\_\_\_\_  
DATE AND TIME FILED  
TERM 3-31-98  
CIVANO I TIME 3-31-98

1. Name of Corporation: The name of the Corporation is NEIGHBORHOOD I ASSOCIATION, INC.
2. Duration of Corporation: The duration of the Corporation is perpetual.
3. Purpose of Corporation: The purpose for which this Corporation is organized is to carry on any or all lawful activities for which owner's associations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time. The Corporation does not contemplate pecuniary gain or profits to the members.
4. Specific Purposes: The Corporation intends to enforce the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for CIVANO I: NEIGHBORHOOD I which was recorded on at Docket 10676 at Pages 224 et seq and to preserve the property values of that Property within the jurisdiction of the Corporation. The Corporation intends to perform all of the duties and obligations of the Corporation set forth in the Declaration, as amended from time to time, for the mutual benefit of the residents and the preservation of their respective properties' value and beauty.
5. Membership Shares in Corporation: The Corporation has the authority to issue membership shares without par value, equal to one membership certificate for each lot a person or persons owns within CIVANO I: NEIGHBORHOOD I. No profits or dividends shall ever be declared by the Corporation.
6. Membership: Every Owner of a Lot or Parcel which is subject to assessment shall automatically be a Member of the Association and shall remain a Member for so long as such ownership continues.
7. Voting:
  - a. Voting Classes. The Association has two classes of voting Members:
    - i. Class A. Class A Members shall be all Owners except Declarant (until the conversion of Declarant's Class B Membership to Class

Board to suspend an Owner's voting rights in accordance with the provisions hereof, a Class A Member has the number of votes provided in Section 3.1

ii. Class B. The Class B Member is the Declarant. The Class B Member is entitled to the number of votes equal to 3 times the number of votes which would be attributable to Lots and Parcels owned by Declarant as determined pursuant to Section 3.1 above. For purposes of determining the votes to which Declarant is entitled for any Parcel which is owned by the Declarant but has yet to be subjected to a Tract Declaration (and therefore has not yet been assigned to a particular Land use Classification): (a) such Parcel is either a residential Parcel or a Non-Residential Parcel, depending upon the use for such Parcel as designated in any Master Development Plan; and (b) a Parcel which is a residential Parcel has the maximum number of Dwelling Units permitted for such Parcel under the Master Development Plan. Subject to the right of the Declarant to annex additional property into CIVANO I: NEIGHBORHOOD I, the Class B Membership terminates upon the happening of the first of the following events:

- (1) the date which is 120 days after the date upon which the total votes of the Class A Members entitled to vote equals or exceeds the total votes of the Class B Member; or
- (2) the date which is fifteen (15) years after the date the Declaration is recorded.

8. Initial Statutory Agent: The name and address of the initial statutory agent is Tanis A. Duncan, 548 E. Speedway, Tucson, AZ 85705, who has been a resident of Arizona for more than three years.

9. Initial Board of Directors: The initial Board of Directors will consist of three (3) directors. The persons who were elected at a meeting held on December 1, 1997 at 6280 S. Campbell Avenue, Tucson, AZ 85706, and who will serve until the first annual meeting of members or until their successors are elected and qualified are:

David G. Case, c/o Case Enterprises,  
6280 S. Campbell Avenue, Tucson, AZ 85706

Kevin M. Kelly, c/o Case Enterprises,  
6280 S. Campbell Avenue, Tucson, AZ 85706

Lawrence P. Lamy, c/o Case Enterprises,  
6280 S. Campbell Avenue, Tucson, AZ 85706


10. Incorporators: The names and addresses of the Incorporators are the same as the initial board of directors.
10. Assessments: Annual assessments levied in accordance with the Declaration are due and payable in annual installments, or by such periodic payments as the Board of Directors, from time to time, determines. The Corporation has the right and obligation to enforce payment as provided for in the Declaration.
11. Amendment: Amendment of these Articles of Incorporation of the Corporation may be made only upon the approval of the Owners of a two-thirds of the Lots at any meeting called for that purpose and after written notice of the meeting is given to all of the members. For so long as the Declarant has any Class B votes, all amendments to these Bylaws must be approved by FHA or VA.
12. Indemnification of Directors:
  - a. Any person who serves as an officer or a member of the Board of Directors 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/her official capacity, unless such damage or injury was caused by the willful and wanton or grossly negligent conduct of such person. Official capacity is any decision, act or event undertaken by the corporation in furtherance of the purpose or purposes for which such organization was organized.
  - b. The liability of a director shall not in any way be eliminated for any of the following:
    - 1) Any breach of the director's loyalty to the corporation or its members.
    - 2) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law.

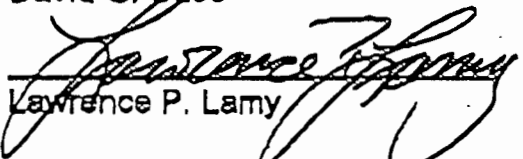
3) Any transaction from which the director derived an improper personal benefit.

13. Dissolution: The Corporation may be dissolved with the written consent of not less than 75% of the members entitled to vote. Upon dissolution of the Corporation, the assets of the Corporation shall be dedicated to a public body or conveyed to a nonprofit organization having a similar purpose as the Corporation.

DATED this 10th day of ~~December~~ <sup>FEBRUARY, 1998</sup>, 1997.

  
\_\_\_\_\_  
David G. Case

  
\_\_\_\_\_  
Kevin M. Kelly

  
\_\_\_\_\_  
Lawrence P. Lamy

**CONSENT TO SERVE AS STATUTORY AGENT**

I consent to serve as statutory agent for the above Corporation until resignation or replacement as provided by Arizona law.

  
\_\_\_\_\_  
Tanis A. Duncan.

January 28, 1998

ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington  
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress  
Tucson, Arizona 85701-1347

CERTIFICATE OF DISCLOSURE

A.R.S. §10-202.D

CIVANO I: NEIGHBORHOOD I ASSOCIATION, INC.

CHECK APPROPRIATE BOX (A OR B)  
ANSWER "C"

EXACT CORPORATE NAME

THE UNDERSIGNED CERTIFY THAT:

A. No persons serving either by elections or appointment as officers, directors, trustees, incorporators and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:



1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
  - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
  - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
  - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:



1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

C. Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes \_\_\_\_\_ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
  - (a) Was incorporated. (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is \_\_\_\_\_

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY Kevin Kelly X BY Lawrence Lamy BY David Case  
 PRINT NAME KEVIN KELLY PRINT NAME LAWRENCE LAMY PRINT NAME DAVID CASE  
 TITLE MANAGING PARTNER DATE 2/10/98 TITLE FINANCIAL OFFICER TITLE PRESIDENT DATE 2/10/98

DOMESTIC CORPORATIONS ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION