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James Dyckman
8/14/92

ARTICLES OF INCORPORATION

OF

PINNACLE HILL OWNERS ASSOCIATION

In compliance with the requirements of §10-1001, et seq., Arizona Revised Statutes, as amended, 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:

ARTICLE I

NAME

The name of the corporation is Pinnacle Hill Owners Association.

ARTICLE II

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Pinnacle Hill to be recorded in the records of Maricopa County, Arizona, subsequent to the filing of these Articles of Incorporation.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 1610 W. Camelback Road, Suite #7, Phoenix, Arizona 85015.

ARTICLE IV

STATUTORY AGENT

Donald E. Dyckman, whose address is One East Camelback Road, Suite 1100, Phoenix, Arizona, 85012, 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 as the initial statutory agent for the corporation.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to provide for the management, maintenance, and care

of the Common Area and other property owned by the Association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the Association by the Project Documents. 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 which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Common Area and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

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

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 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>
James G. Stokey	1610 W. Camelback Road Suite #7 Phoenix, Arizona 85015
Samuel H. Evert, Jr.	1610 W. Camelback Road Suite #7 Phoenix, Arizona 85015
Frank F. Greening	1610 W. Camelback Road Suite #7 Phoenix, Arizona 85015

The Board shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association.

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 Association and until their successors have been elected and qualified:

James G. Stokey	-	President
Samuel H. Evert, Jr.	-	Vice President
Frank F. Greening	-	Secretary/Treasurer

ARTICLE X

LIMITATION ON LIABILITY OF DIRECTORS

The personal liability of a director of the Association to the Association or its members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time.

ARTICLE XI

AMENDMENTS

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Board, without a vote of Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by owners representing not less than two-thirds (2/3) of the authorized votes in each class of membership. 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 or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

As long as there is a Class B membership in the Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties; mergers or consolidations, mortgaging of Common Area, dedication of Common Area, undertaking self-management of the Project or the Association and dissolution or amendment of these Articles of Incorporation.


ARTICLE XV

INCORPORATOR

The name and address of the incorporator of the Association is:

<u>Name</u>	<u>Address</u>
Samuel H. Evert, Jr.	1610 W. Camelback Road Suite #7 Phoenix, Arizona 85015

Dated this 3rd day of August, 1992.



Samuel H. Evert, Jr.

ACTION IN WRITING
OF THE
BOARD OF DIRECTORS
OF
PINNACLE HILL OWNERS ASSOCIATION

The undersigned, constituting all of the members of the Board of Directors of Pinnacle Hill Owners Association, an Arizona nonprofit corporation, hereby take the following actions in writing and without a meeting pursuant to Section 10-1095, Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board:

RESOLVED, that the Bylaws in the form submitted to the Board of Directors are hereby adopted as the Bylaws of this Corporation, and that the Secretary is hereby instructed to insert the same in the Minute Book.

RESOLVED FURTHER, that the following persons be and they are hereby elected to the offices set forth beside their respective names to hold office for the ensuing year and until their respective successors are chosen and qualified:

President	- James G. Stokey
Vice President	- Samuel H. Evert, Jr.
Secretary/Treasurer	- Frank F. Greening

RESOLVED FURTHER, that the Treasurer be and is hereby authorized and directed to open an account at a bank or savings and loan association authorized to do business in the State of Arizona, which bank or savings and loan association is authorized to honor checks drawn against such account signed by the President or by the Secretary-Treasurer so long as there is a balance in favor of the Corporation.

RESOLVED FURTHER, that the Treasurer is hereby authorized and directed to open a reserve account at a bank or savings and loan association authorized to do business in the State of Arizona which will be an interest bearing

account, which bank or savings and loan association is hereby authorized to honor withdrawal requests executed by the President or by the Secretary-Treasurer so long as there is a balance in favor of the Corporation.

RESOLVED FURTHER, that the Treasurer be and is hereby authorized to pay all fees and expenses incident to and necessary for the organization of this Corporation.

RESOLVED FURTHER, that the Secretary procure the necessary books of account and corporate record books.

RESOLVED FURTHER, that the officers of the Corporation are hereby authorized and empowered to purchase or acquire any and all supplies and property, real, personal or mixed, and to execute all contracts or other instruments necessary for the Corporation, and to perform all acts necessary or incidental to the operation of the Corporation.

RESOLVED FURTHER, that the officers of the Corporation are authorized and directed to procure such property, fire, casualty and liability insurance as may be required by the Declaration of Covenants, Conditions and Restrictions for Pinnacle Hill recorded in the records of Maricopa County, Arizona, and such other insurance as the President of the Corporation deems it advisable for the Corporation to carry.

RESOLVED FURTHER, that the annual assessment for each Membership for the fiscal year of the Association in which the obligation of the Owners to pay assessments commences under the Declaration shall be Onehundredsixtyeight Dollars (\$168.00) and shall be collected in equal quarterly installments.

RESOLVED FURTHER, that a lien fee of \$75.00 shall be charged to each Owner of a Lot against which the Association records a notice of lien for delinquent assessments in accordance with the provisions of the Declaration.

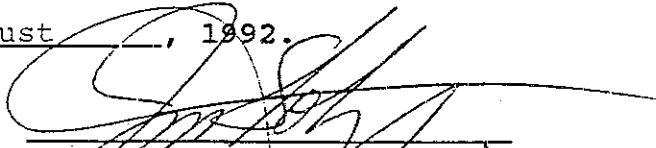
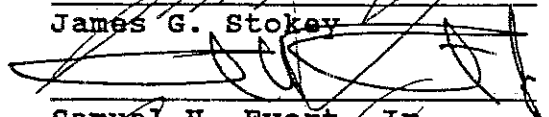
RESOLVED FURTHER, that the officers of the Corporation are hereby instructed to take whatever action they deem appropriate to

provide for the collection of the assessments and the enforcement of the obligations of the members to pay the assessments.

RESOLVED FURTHER, that the Secretary of the Corporation determine the names and addresses of all present members of the Association and that said officer compile and at all times keep a current list thereof.

RESOLVED FURTHER, that a transfer fee of \$50.00 shall be charged to the purchaser of a Lot from a person or entity other than the Declarant.

Dated this 11th day of August, 1992.


James G. Stokey
Samuel H. Evert, Jr.
Frank F. Greening