

ARTICLES OF INCORPORATION OF  
GREEN VALLEY FAIRWAYS PROPERTY OWNERS ASSOCIATION

Adopted June 2, 1966

Filed with the Arizona Corporation Commission June 24, 1966

Amended November 27, 1967; March 4, 1968; January 6, 1971; November 8, 1976;  
November 7, 1977, November 8, 1982; November 29, 1988; and November 10, 1997

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, residents of the State of Arizona, members of the Green Valley Property Owners Association, an unincorporated association established under the provisions of the recorded Declaration of Establishment of Conditions and Restrictions applicable to Green Valley Fairways Subdivisions Units #1, #2, and #3 respectively, pursuant to the provisions of Article XVI, Title 10, Arizona Revised Statutes Annotated, do hereby adopt the following Articles of Incorporation.

ARTICLE I  
NAME

The NAME of the Corporation shall be:

GREEN VALLEY FAIRWAYS PROPERTY OWNERS ASSOCIATION

ARTICLE II  
INCORPORATORS

The names and addresses of the incorporators are:

G. W. Breiel, 388 Santa Cruz, Green Valley, Arizona Forrest M.  
Bucher, 393 Los Rincones, Green Valley, Arizona John W.  
Dunn, 347 Santa Cruz, Green Valley, Arizona Don M. Finch,  
193 Los Arcos, Green Valley, Arizona Charles F. Grey, 103 La  
Soledad, Green Valley, Arizona Albert J. Parker, 415 Vista Del  
Rio, Green Valley, Arizona Harold E. Pinches, 133 Los Arcos,  
Green Valley, Arizona H. L. Sandin, 181 Los Arcos, Green  
Valley, Arizona Thomas D. Welch, 288 Los Rincones, Green  
Valley, Arizona

ARTICLE III  
PLACE OF BUSINESS

The principal office for the transaction of business of the Corporation shall be  
Green Valley, Pima County, Arizona.

ARTICLE IV  
TIME OF COMMENCEMENT

The time of commencement of this Corporation shall be the date on which the Certificate of Incorporation is issued by the Arizona Corporation Commission and it shall have perpetual existence.

ARTICLE V  
OBJECTS OF CORPORATION

The objects of the Corporation are to promote the recreation, health, safety and welfare of the residents of Green Valley Fairways, Unit No.1, as recorded in the Book of Maps and Plats, Book 16, Page 94, in the office of the County Recorder, Pima County, Arizona, and Green Valley Fairways, Unit No.2, as recorded in the Book of Maps and Plats, Book 17, Page 97, in the office of the County Recorder, Pima County, Arizona, and Green Valley Fairways, Unit No. 3, as recorded in the Book of Maps and Plats, Book 18, Page 51, in the office of the County Recorder, Pima County, Arizona, and the residents of other properties as may hereafter be made legally subject to the jurisdiction of the Corporation as provided in Article VI hereof, all of which property is hereafter referred to as "The Properties". In support of, and to aid in the accomplishment of the objects for which this Corporation is organized, The Corporation may do any or all of the following:

- 1) Enforce any and all covenants, restrictions and agreements applicable to any or all lots within the Properties.
- 2) Own, acquire, build, operate and maintain real and personal property including but not limited to recreation parks, swimming pools, golf courses, commons, streets, footways, including buildings, structures; personal properties incident thereto, hereinafter referred to as the common properties and facilities.
- 3) Provide general services, such as fire and police protection and garbage and trash collection.
- 4) Fix assessments against the properties of the members.
- 5) Pay taxes, if any, on the common properties and facilities.
- 6) Do any other thing that, in the opinion of the Board of Directors, will promote the common benefit, welfare and enjoyment of the residents of The Properties.
- 7) The Corporation shall have the power to do all things necessary for the accomplishment of any of the objectives herein enumerated, and is to have the same power in such respect as any ordinary individual might have; and the enumeration of anyone or more of the powers set forth in these Articles shall not be construed as a limitation upon other powers which might be reasonably implied from the language used herein.

ARTICLE VI  
ADDITIONS TO THE PROPERTIES

Other Green Valley units, as may hereafter be developed in Green Valley, Arizona, pursuant to

the terms and conditions of the Declaration of Establishment of Conditions and Restrictions, hereinafter referred to as "Deed Restrictions," applicable to each such future Green Valley Subdivision and recorded prior to the sale of any lot therein, may be added to the Properties and made legally subject to the jurisdiction of this Corporation, provided that each such addition and extension of jurisdiction shall receive the assent of two-thirds (2/3) of the votes of the members present in person or by proxy at a special meeting or annual meeting duly called for this purpose in accordance with the By-Laws of this Corporation and subject to the provisions of Article XIX hereof.

## ARTICLE VII MEMBERSHIP

SECTION 1. There shall be no capital stock of the Corporation; participation shall be limited to membership in the Corporation as provided for in Section 2 hereof.

SECTION 2. Every person of legal entity, except the developers, who is a record owner of any lot, in fee simple, to any Green Valley Subdivision subject to the jurisdiction of this Corporation, shall be a member.

SECTION 3. Each member in good standing shall be entitled to one vote for each lot owned in fee simple title; provided that if more than one member is the owner of a single lot, said joint owners shall be entitled to one vote. Fractional votes shall not be recognized.

SECTION 4. The rights and privileges of membership are subject to the payment of annual and special assessments levied by the Corporation, the obligation of which assessments is imposed against each owner of, and becomes a lien upon the property against which such assessments are made as provided by the Deed Restrictions to which the Properties are subject.

SECTION 5. The rights and privileges of a member shall be .suspended when any assessment of his is delinquent for more than thirty (30) days; however, upon payment of such assessments, he shall become a member in good standing and his rights and privileges' shall be automatically restored.

## ARTICLE VIII ASSESSMENTS

SECTION 1. Membership in the Corporation shall pay an assessment of ONE DOLLAR (\$1.00) per calendar year, per lot, unless said amount is changed by a majority vote of the members present, in person and by proxy, at annual or special meetings of the membership.

SECTION 2. The Board of Directors may assess a special assessment for the purpose of defraying in whole or part the cost of any construction or reconstruction, repair or replacement of the common properties, subject to approval of a two-thirds (2/3) vote of the members present or by proxy at a special meeting or annual meeting called for this purpose, subject, however, to the provisions of Article XIX hereof.

ARTICLE IX  
OFFICERS

SECTION 1. The officers of the Corporation shall consist of a President, a Vice-President, a Secretary and a Treasurer, and such other officers as may be determined from time to time by the Board of Directors of the Corporation. Such officers shall be elected at the first meeting of the Board of Directors. Officers shall serve for one year but may be re-elected.

SECTION 2. If an officer is either unable or unwilling to act as an officer, the remaining Board of Directors shall elect a replacement to serve the balance of the term of office.

ARTICLE X  
BOARD OF DIRECTORS

SECTION 1. The affairs of this Corporation shall be conducted by the Board of Directors consisting of nine (9) persons, three (3) persons shall be elected for a term three (3) years, three (3) persons to be elected for a term of two (2) years, and three (3) persons to be elected to a term of one (1) year. At the first annual election by the members from among their number, and at each annual election thereafter, three (3) persons shall be elected to the Board of Directors for a term of three (3) years. Such Directors shall serve for the term for which they are elected or until their successors are elected and qualified.

SECTION 2. At a pre-organization election held the 16<sup>th</sup> day of April, 1966, the first Board of Directors was elected to serve until the first annual election to be held on the first Monday of March 1967, to wit: G. W. Breiel, Forrest M. Bucher, John W. Dunn, Don M. Finch, Charles F. Grey, Albert J. Parker, Harold E. Pinchas, H. L. Sandin and Thomas D. Welch.

SECTION 3. The first annual election shall be held during the first annual meeting. Thereafter each annual election shall be held as described in Article III of the by-laws. If the day of the annual meeting of the members shall fall upon a holiday, the meeting may be held at the same hour on the first day following which is not a holiday.

Notwithstanding the foregoing, should the Board of Directors determine that due to scheduling conflicts or other significant impracticality, the annual meeting cannot be held on the date provided above, then the Board of Directors shall give written notice of the cancellation of said scheduled meeting date and the new date established for the annual meeting for the year in question. Notice of the cancellation and rescheduling of the annual meeting shall be given as required pursuant to Arizona law, with notice mailed or delivered not less than 10 nor more than 50 days before the date of the meeting.

SECTION 4. If a Director is either unable or unwilling to act as a director, the remaining members of the Board of Directors shall elect a replacement to serve for the balance of the unexpired term of office

ARTICLE XI  
LIABILITY

The maximum liability of the Corporation, including the principal amount of mortgages

outstanding at any time, shall not exceed One Hundred Dollars (\$100.00) multiplied by the number of lots under the jurisdiction of this Corporation. Said maximum liability may be exceeded if approved by a two-thirds (2/3) vote of the members present or by proxy at a special or annual meeting called for this purpose, subject, however, to the provisions of Article XIX hereof.

#### ARTICLE XII ORGANIZED NOT FOR PROFIT

This Corporation is not organized with pecuniary profit as its objective and the members thereof shall have no individual or separate interests in any of the property, assets or profits of the Corporation.

#### ARTICLE XIII LIABILITY OF MEMBERS

The private property of the members of the Corporation shall forever be exempt from corporate debts and no member or officer shall be individually liable or responsible for any debts or liabilities of the Corporation.

#### ARTICLE XIV AMENDMENTS OF BY-LAWS

The By-Laws of this Corporation may be amended only in accordance with the By-Laws and no amendment of the By-Laws shall be in direct conflict with the Article of Incorporation or with the Deed Restrictions applicable to The Properties.

#### ARTICLE XV AMENDMENTS TO THE ARTICLES OF INCORPORATION

The Articles may' be amended in accordance with the law of Arizona, provided that no amendment shall impair or dilute any right of members that are granted by the recorded Deed Restrictions applicable to The Properties.

#### ARTICLE XVI MERGER

Subject to the provisions and conditions of Deed Restrictions recorded as to Green Valley Subdivisions and to the extent permitted by law, this Corporation may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of the members in person or by proxy at a special meeting or annual meeting duly called for this purpose, and subject to the provisions of Article XIX hereof.

ARTICLE XVII  
DEDICATION OF PROPERTIES OR TRANSFER OF FUNCTION TO PUBLIC AGENCY  
OR UTILITY

The Corporation shall have power to dispose of its real property, subject to provisions of the recorded Deed Restrictions, by dedication or transfer to all or any part of said real property to any public agency or utility for such purposes and, subject to such conditions as may be agreed to by members, provided that no such dedication, transfer, purpose or condition thereof, shall be effective unless approved by two-thirds (2/3) of the members present or by proxy at a special or annual meeting called for this purpose, subject, however, to the provisions of Article XIX thereof.

ARTICLE XVIII  
RULES AND REGULATIONS

SECTION 1. The Corporation may, insofar as permitted by law, establish, modify, alter and enforce such rules and regulations as may be necessary to promote and sustain the stated objects and purposes for which this Corporation is organized, provided that any such rule may not abrogate any easement, covenant or restriction imposed on any property by Deed Restriction of record.

SECTION 2. Where the conditions imposed on members of the Corporation by any rule or regulation properly adopted by the Corporation, under procedures and voting requirements set forth in the By-Laws of the Corporation, upon the design, character or use of land, buildings or structures, are more restrictive than comparable conditions imposed by Deed Restrictions of record, the rule or regulation which is more restrictive or which imposes higher standard or requirement shall prevail provided that such rule or regulation shall not be retroactive.

SECTION 3. Amendments to the Deed Restrictions, in keeping with the above restrictions, must be approved by a majority of members present in person or by proxy at a special meeting or annual meeting duly called for this purpose.

ARTICLE XIX  
QUORUM REQUIREMENTS

The quorum required for any action of the Corporation governed by the Articles of Incorporation, with specific reference to this particular Article shall be as follows:

At special or annual meetings, the presence of members, or of proxies, entitled to cast twenty-five percent (25%) of the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at said first meeting, another meeting may be called within sixty (60) days, subject to the same notice requirements as for the preceding meeting, and the required quorum at any subsequent meeting shall be one-half (1/2) times of the quorum required at the preceding meeting.

ARTICLE XX  
REGISTERED AGENT

Robert Royal, 705 Arizona Land Title Building, Tucson, Pima County, Arizona, who has been

a bona fide resident of the State of Arizona for at least three (3) years immediately prior to the date of the signing of these Articles, is hereby appointed the lawful agent of this Corporation, for and on behalf of this Corporation to accept and acknowledge services of and upon whom may be served all necessary process in action, suit or proceeding that may be had or brought against the said Corporation in any of the courts in the State of Arizona, and for all other purposes as may be required by law. The Board of Directors of this Corporation may revoke this appointment at any time and shall have full power to fill the vacancy in such position.

#### ARTICLE XXI VOTING BY MAIL

Any business which may be conducted at an annual or special meeting of the Corporation, with the exception of Amendments to the Articles of Incorporation and amendments to the Deed Restrictions, may be submitted to the membership by the Board of Directors allowing at least twenty (20), but not more than thirty (30) days, for the return of ballots. A simple majority of the return be necessary for any such business to be adopted except for business affected by Article XVIII of these Articles of Incorporation.

Notice shall be given to the membership by sending a copy of the notice through the mail; mailing may be by third class mail

#### ARTICLE XXII LIMITATION OF DIRECTORS' LIABILITY

The directors of the Corporation shall be eliminated from liability to the Corporation or its members for monetary damages for breach of fiduciary duty as a Director, except upon the occurrence of any of the following:

- (a) Any breach of the Directors' duty or loyalty to the Corporation of its members.
- (b) Act or omissions which are not in good faith or which involve intentional misconduct or knowing violation of law.
- (c) A violation of A.R.S. 10-1026
- (d) Any transaction from which the Director derived an improper personal benefit.
- (e) A violation of A.R.S. 10-1097