

FEB - 1 2006

FILE NO. 1260006-0

**ARTICLES OF INCORPORATION  
FOR  
RIVERWALK TUCSON HOMEOWNERS ASSOCIATION**

**ARTICLE I  
NAME AND PERPETUAL DURATION**

The name of the corporation is Riverwalk Tucson Homeowners Association, hereinafter called the "Corporation". The Corporation is a non-profit corporation under Arizona law. The period of duration shall be perpetual.

**ARTICLE II  
STATUTORY AGENT**

John Escher, III, whose address is Waterfall, Economidis, Caldwell, Hanshaw & Villamana, P.C., 5210 East Williams Circle, Suite 800, Tucson, Arizona, 85711, is the statutory agent of this Corporation.

**ARTICLE III  
ADDRESS OF THE CORPORATION**

The address of the known place of business of the Corporation is 4300 North Miller Road, Suite 243, Scottsdale, Arizona 85251.

**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 serve as the governing body for all of the Members of the subdivision known as Riverwalk, to promote the health, safety, welfare, peace, and comfort of its Members, and to provide for architectural control of the Property, as that term is defined in that certain Declaration of Covenants, Conditions, and Restrictions for Riverwalk recorded in the office of the Pima County Recorder at Docket 12715 Page 1740 ("Declaration"). The Corporation shall also provide for the maintenance and preservation of Common Areas and other Areas of Association Responsibility. Any capitalized terms not otherwise defined herein shall have the meanings assigned to them by the Declaration.

The Corporation shall have all of the common law and statutory powers conferred upon nonprofit corporations under Arizona law and all powers necessary or desirable to perform the Corporation's duties and obligations and to exercise the rights and powers of the Corporation set forth in the Declaration.

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's Membership in the Association, except for Declarant as provided in the Declaration, shall be appurtenant to and may not be separated from ownership of the Lot to which the Membership is attributable.

#### **ARTICLE VI** **VOTING RIGHTS**

The Corporation shall have the following two classes of voting membership:

**Class A.** Class A members are all Owners, with the exception of the Declarant until the termination of the Class B membership, of Lots. Each Class A member shall be entitled to one (1) vote for each Lot owned, however, in the event that a Lot is owned by more than one person, only one vote may be cast for such Lot. Upon the termination of the Class B membership, the Declarant shall be a Class A member as long as the Declarant owns any Lot.

**Class B.** The Class B member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the votes held by Class A members exceed the votes held by the Declarant. The Declarant may at any time relinquish its Class B membership by giving written notice thereof to the Corporation.

#### **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 Areas of Association Responsibility as may be described in the Declaration as areas of responsibility of the Corporation.

**ARTICLE VIII**  
**BOARD OF DIRECTORS**

The initial Board shall consist of at least three (3) directors who need not be Members of the Association. Until the termination of the Class B Membership, the Declarant shall have the right to appoint and remove the members of the Board. After the termination of the Class B Membership, the Board shall be elected by the Members as provided in the Bylaws. Commencing with the first annual meeting of the Members after the termination of the Class B Membership, the Board shall consist of, and the voting Members shall elect, not more than seven (7) directors, but never an even number, all of whom must be Members, or an individual designated by a corporate, partnership or other non-individual Member. The term of each of the Directors 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:

Louis Marson  
4300 North Miller Road, Suite 243  
Scottsdale, Arizona 85251

Andrew J. Kacic  
P.O. Box 6216  
Scottsdale, Arizona 85261

Barry Edberg  
Paul Ash Management  
2026 East Prince Road  
Tucson, Arizona 85719

**ARTICLE IX**  
**ORIGINAL INCORPORATOR**

The original incorporator is:

Louis Marson  
4300 North Miller Road, Suite 243  
Scottsdale, Arizona 85251

**ARTICLE X**  
**DISSOLUTION**

The Corporation may be dissolved only in accordance with the provisions of the Declaration and 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.

**ARTICLE X**  
**LIMITATION OF DIRECTORS' LIABILITY**

The personal liability of the directors to the Corporation for monetary damage for any action or failure to take any 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 XI**  
**INDEMNIFICATION**

The Corporation shall indemnify any person against liability and expenses, including without limitation, attorneys' 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. §§10-3851 and 10-3856, 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 corporation 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 director or officer, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such whether or not the Corporation would have had the power to indemnify him against such liability under this Article.

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

**ARTICLE XII**  
**DISPUTE RESOLUTION**

As more specifically set forth in the dispute resolution sections of the Declaration, the Corporation is limited in the manner in which it may bring civil actions. The procedures prescribed in the Declaration are in addition to and shall not be construed to conflict with any requirements under the laws of the State of Arizona.

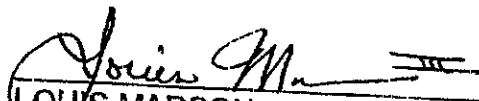
**ARTICLE XIII**  
**AMENDMENT**

These Articles may be amended by the written consent of Members representing at least three-fourths (3/4) of the votes entitled to be cast by Members, but no amendment may conflict with the Declaration or affect any reserved rights or privileges of the Declarant, and amendments shall first be proposed by the Board of Directors to the extent authorized by law. Declarant reserves the absolute right of its own volition, and without any other consent or approval, 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, or to correct any error or ambiguity or to conform the provisions hereof to any provision of the Declaration. No amendment may conflict with any right reserved unto the Declarant or the Class B Member. Any amendment during the existence of the Class B Membership shall require the consent of Declarant.

**ARTICLE XIV**  
**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: 1-30, 2006

  
LOUIS MARSON  
Incorporator

**CONSENT OF STATUTORY AGENT**

I, John Escher, III, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

  
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John Escher, III, Statutory Agent