

AZ CORPORATION COMMISSION
FILED



MAY 17 2010

ARTICLES OF INCORPORATION
OF
THE PRESERVE AT CAVE CREEK OWNERS' ASSOCIATION

FILE NO. 1603602-9-4

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Arizona, adopts the following Articles of Incorporation:

ARTICLE I

Name

The name of the corporation is The Preserve at Cave Creek Owners' Association ("Association").

ARTICLE II

Nonprofit Corporation

The Association is organized as a nonprofit corporation pursuant to Title 10, Chapters 24-40, of the Arizona Revised Statutes, as the same may be amended or any successor statutes. The Association shall have no stock, and no dividends or pecuniary profits shall be declared or paid to its members, directors or officers. All income and earnings of the Association shall be used to further the purposes and objectives of the Association.

ARTICLE III

Principal Place of Business

The Association's principal place of business is located at 19228 North Cave Creek Road, #111, Phoenix, Arizona 85024 but it may establish other places of business and other offices at such other places as the board of directors of the Association (the "Board of Directors") may from time to time determine.

ARTICLE IV

Statutory Agent

The Association hereby appoints Frank S. Tomlins, Gust Rosenblad, PLLC, 201 East Washington Street, Suite 600, Phoenix, Arizona 85004 as the initial statutory agent for the Association. All notices and processses, including service of summons, may be served upon said statutory agent and, when so served, shall be lawful, personal service upon this Association. The Board of Directors may, at any time, appoint another agent for such purpose, and filing of such other appointment shall revoke this or any other previous appointment of such agent.

ARTICLE V

Defined Terms/Conflicting Provisions

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Unless the context otherwise requires, capitalized terms used in these Articles without definition shall have the meanings specified for such terms in that certain Condominium Declaration for The Preserve at Cave Creek, a condominium, recorded at Recording No. 2003-982173, in the official records of the County Recorder of Maricopa County, Arizona, as amended by that certain Sixth Amendment to Condominium Declaration for The Preserve at Cave Creek, a condominium, recorded at Recording No. 2010-_____ in the official records of the County Recorder of Maricopa County, Arizona (collectively, the "Declaration"), the terms and provisions of which are incorporated into these Articles by this reference as if set forth herein. In the event of any conflict or inconsistency between the Declaration and these Articles, the Declaration shall control.

ARTICLE VI

Purpose, Powers and Duties

The primary business and purpose of the Association is to serve as the "Association" as that term is defined and used in Arizona Revised Statutes § 33-1802, as the same may be amended, or any successor statute, and as the "Association" as that term is defined and used in the Declaration. In furtherance of said purpose, the Association shall have the powers and shall perform the duties and obligations granted to and imposed upon it by the "Community Documents" (as defined in Arizona Revised Statutes § 33-1802, as the same may be amended, or any successor statute). In addition, subject to the provisions of the Declaration, the Association shall have and may exercise any and all of the powers, rights and privileges now or hereafter granted to nonprofit corporations by Title 10, Chapters 24-40, of the Arizona Revised Statutes, as the same may be amended or any successor statute. The specific primary purpose for which this Association is formed is to provide for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Property situated in the City of Phoenix, County of Maricopa, State of Arizona and more particularly described in the Declaration, and to promote the health, safety and welfare of all Members (as defined below) and Owners in connection with their respective use, occupancy and ownership of the Property. The Association shall have all legal powers necessary to carry out its obligations under the Declaration, these Articles and the Association's bylaws.

ARTICLE VII

Membership and Voting Rights

The Association will have members (the "Members"). The Members of the Association shall be Unit Owners. All Unit Owners shall be mandatory Members of the Association, and no Member shall have the right to resign as a Member of the Association. By acquiring fee title to or otherwise becoming the Unit Owner of a Unit, a Person consents to becoming a Member of the Association. Each Unit Owner shall have such rights, privileges and votes in the Association as are set forth in the Association Documents. The provisions of the Declaration with respect to membership in the Association and the voting rights of the Members are hereby incorporated into these Articles by reference.

ARTICLE VIII

Board of Directors

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The number of directors constituting the Board of Directors shall be one (1). The name and address of the sole director of the Association who shall serve until his death, resignation or removal is as follows:

<u>Name</u>	<u>Mailing Address</u>
Howard Kula	18226 North Cave Creek Road, # 111 Phoenix, Arizona 85024

The number of directors may be changed from time to time by the Board of Directors, but the number of directors may not be less than one (1) or more than nine (9) and must be an odd number. After the expiration of the Period of Declarant Control, the number of directors must be at least three (3).

The Board of Directors shall adopt the Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that during the Period of Declarant Control, the Declarant, without the consent of any Unit Owner, may amend the Bylaws in order to: (a) comply with the Arizona Planned Community Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner; (b) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect any Unit Owner; or (c) comply with the regulations and guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, The Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration.

ARTICLE IX

Officers

The affairs of the Association shall be administered by officers elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, or at other meetings called for such purpose. The officers shall consist of a President, Vice-President, Secretary and other officers as elected, each of which shall serve at the pleasure of the Board of Directors.

ARTICLE X

Indemnification and Liability

A. Indemnification. The Association shall indemnify, to the fullest extent permitted by law, each director and officer of the Association against all liabilities, as such term is defined in Arizona Revised Statutes Section 10-3450 or any corresponding provision or provisions of any subsequent Arizona law substituted therefor, to any person for any action taken, or any failure to take any action, as a director or an officer, but only if all of the following conditions exist:

- (1) The individual's conduct was in good faith;

(2) The individual reasonably believed (i) in the case of conduct in an official capacity with the Association, the conduct was in the best interests of the Association; or (ii) in all other cases, the conduct was not opposed to the best interests of the Association; and

(3) In the case of criminal proceedings, the individual had no reasonable cause to believe the conduct was unlawful.

Indemnification under this section shall be mandatory in all circumstances in which such indemnification is permitted by law. Any repeal or modification of this Article X(A) shall be prospective only and shall not adversely affect, defeat or limit the right of any director or officer to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

B. Limitation of Liability. A director of the Association shall not be liable to the Association for money damages, to the fullest extent permitted by law, for any action taken or any failure to take any action as a director, except liability for any of the following:

(1) The amount of a financial benefit received by a director to which the director is not entitled;

(2) An intentional infliction of harm on the Association;

(3) A violation of Arizona Revised Statutes Section 10-3833 regarding unlawful distributions, or any corresponding provision or provisions of any subsequent Arizona law substituted therefor; and

(4) An intentional violation of criminal law.

If the Arizona Revised Statutes are hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes, as so amended. Any repeal or modification of this Article X (B) shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

ARTICLE XI

Dissolution

No person shall possess any property right in or to the property or assets of the Association. The Association may be dissolved with the consent given in writing and signed by Members holding not less than eighty percent (80%) of the total votes in the Association. So long as the Declarant owns one or more Units, the Association may not be dissolved without the prior written approval of the Declarant.

ARTICLE XII

Amendments

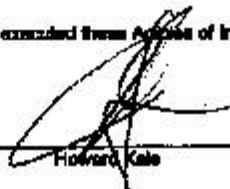
These Articles may be amended by Members holding at least sixty-seven percent (67%) of the total votes in the Association, except that during the Period of Declarant Control the Declarant shall have the right to amend these Articles in order to: (a) comply with the Arizona Planned Community Act or any other applicable law if the amendment does not

adversely affect the rights of any Unit Owner; (b) correct any error or inconsistency in this Bylaws if the amendment does not adversely affect any Unit Owner; or (c) comply with the regulations and guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, The Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration. Any amendment to these Articles must be approved in writing by the Declarant so long as the Declarant owns one or more Units.

Incorporator

The name and address of the incorporator are Howard Kale, 19228 North Cave Creek Road # 111, Phoenix, Arizona 85024. All powers, duties and responsibilities of the incorporator, as incorporator, shall cease at the time of the filing of these Articles with the Arizona Corporation Commission.

In witness whereof, the undersigned has executed these Articles of Incorporation this 13 day of May, 2010.


Howard Kale

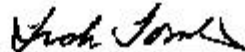
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CONSENT TO ACT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent of THE PRESERVE AT CAVE CREEK OWNERS' ASSOCIATION, hereby consents to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

Dated this 12th day of May, 2010.



Frank Tomkins

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**ARIZONA CORPORATE COMMISSION
CORPORATIONS DIVISION**

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2529

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

**CERTIFICATE OF DISCLOSURE
A.R.S. §10-202.D**

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

**The President of Chick Creek Drums Association
EXACT CORPORATE NAME**

THE UNDERSIGNED CERTIFY THAT:

A. No person serving either by election 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 related 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 receipt of trade or money 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 whereby such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of federal or state 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 trademark or copyright of state 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 date.
3. Former 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 police agency involved and file or case 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 10% of the issued and outstanding common shares, or 10% 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 ☒

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. Date of corporate operation.

D. The fiscal year adopted by the corporation is 12/31.

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 and correct. **THE SIGNATURES MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.**

BY [Signature] BY _____
PRINT NAME: Thomas Kade PRINT NAME: _____
TITLE: Director DATE: 5/16/2010 TITLE: _____ DATE: _____

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.

CP: 0002 - Business Corporations (Rev. 1/96)
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