

ARTICLES OF INCORPORATION

OF 211335

THE VILLAGES AT LYNX CREEK
OWNER'S ASSOCIATION, INC.

RECORDED
FOR THE STATE OF AZ.

JAN 16 2 43 PM '89

FEE 7.2 Kreuder
DATE 1-30-89

In compliance with the requirements of the statutes of the State of Arizona, as required in A.R.S. Section 10-1002, et seq., pertaining to nonprofit corporations, the undersigned incorporators affirm or swear that they (1) are partners in the Partnership which presently owns the Property (described below); (2) are of legal age; (3) this day voluntarily formed a corporation not for profit; and (4) do further certify that:

ARTICLE ONE - Name

The name of this Corporation is The Villages At Lynx Creek Owner's Association, Inc. (the "Association").

ARTICLE TWO - Location

The principal office of the Association is located at P. O. Box 847, Dewey, Arizona 85327.

ARTICLE THREE - Statutory Agent

Robert Erven Brown, Esq. whose address is 9401 West Thunderbird, Suite 220, Peoria, Arizona 85345, is hereby appointed to serve as the initial statutory agent of this Association.

ARTICLE FOUR - Purpose

Whether or not specifically granted by these Articles, the Association may exercise all powers, rights and privileges, and may conduct any lawful business allowed by the Non-Profit Corporation Laws of the State of Arizona.

ARTICLE FIVE - Initial Business

This Association does not contemplate pecuniary gain or profit to its members. The Association's initial business is to (1) provide for maintenance, preservation and architectural control of the Lots and Common Area in the "Property" described on Exhibits A-1, A-2 and A-3 located in Yavapai County, Arizona, and to (2) promote the health, safety and welfare of the residents and owners of the Property (including any subsequent additions to the Association).

ARTICLE SIX - Powers of the Association

In addition to the powers granted by law or in its By-Laws or the Rules and Regulations, the Association has the right, power and authority to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association described in the Declaration of Covenants, Conditions and Restrictions, (the "Declaration"), applicable to the Property and recorded, or to be recorded, in the Office of the County Recorder

of Yavapai County as amended from time to time. The Declaration is incorporated by reference as if set forth in full;

(b) fix, levy, collect and enforce payment of all charges or Assessments pursuant to the terms of the Declaration or as otherwise allowed by law;

(c) pay all reasonable expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the personal and real property of the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, trade, dedicate for public or private use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for the purposes and subject to the conditions as may be agreed to by the Board of Directors; and

(g) participate in mergers and consolidations with other nonprofit corporations organized for similar purposes or annex additional residential property and/or Common Area.

ARTICLE SEVEN - Membership

Subject to the definitions and conditions imposed in the Declaration, every person or entity which owns an interest in a Lot which is subject to the Declaration, including contract sellers, shall be a "Member" of the Association. (Persons or entities which hold an interest merely as security for the performance of an obligation are not entitled to membership in the Association.) Membership is appurtenant to, and may not be separated from, ownership of a Lot which is subject to Assessment by the Association.

ARTICLE EIGHT - Voting Rights

Members of the Association have the voting rights set forth in the Declaration or in the By-Laws.

ARTICLE NINE - Board of Directors

The affairs of this Association shall be managed by a Board of not less than three, nor more than nine directors, who need not be Members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. At the annual meetings the Members shall elect directors to serve for terms as required by the By-Laws. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
James Geiler	1530 W. Indian School Rd. Phoenix, Arizona 85015-5231
James V. Musgrove	1135 Iron Springs Road Prescott, Arizona 86301
William Kinson	HC 30 Box 80 Prescott, Arizona 86301
Norman D. Fain, II	HC 36 Box 420 Dewey, Arizona 86327
William Hyslip	P. O. Box 278 Humbolt, Arizona 86329

ARTICLE TEN - Indemnification

The Board of Directors are entitled to absolute immunity from liability for their actions taken on behalf of the Association as permitted by A.R.S. Section 10-1017(D) or other applicable Arizona law. The By-Laws may not limit or deny these rights of indemnity.

ARTICLE ELEVEN - Dissolution

A. Unless otherwise specified the Association may be dissolved with the written consent of not less than two-thirds of each class of Members. 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. If that dedication is refused, then the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to a similar purpose.

B. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of its assets exclusively for the purpose of the Association in a manner, or to organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Association is then located, exclusively for purposes or to organizations, as the Court shall determine are organized and operated exclusively for those purpose.

ARTICLE TWELVE - Duration

The Association shall exist perpetually.

ARTICLE THIRTEEN - Amendments

Amendment of these Articles requires a simple majority of all Class A and Class B Membership votes.

ARTICLE FOURTEEN - Non-Profit

No part of the net earnings of the Association shall inure to the benefit of, or be distributed to its Members, directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles or in the Declaration. No substantial part of the activities of the Association shall be the carrying on of propoganda, or otherwise attempting to influence legislation. The Association shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Association shall not carry on any activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954, (or the corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, (or the corresponding provisions of any future United States Internal Revenue Laws).

ARTICLE FIFTEEN - Meetings

The annual meeting is to be held at a place within or without the State of Arizona as fixed by the By-Laws.

ARTICLE SIXTEEN - Incorporators

The names and addresses of the Incorporators are:

<u>Name</u>	<u>Address</u>
David D. Walker	8127 North 18th Place Phoenix, Arizona 85020
William B. Fulkerson	1530 West Indian School Road Phoenix, Arizona 85015

Upon filing these Articles with the Arizona Corporation Commission the duties and responsibilities of the incorporators cease and the term of initial Board of Directors commences.

IN WITNESS WHEREOF, to form this corporation under the laws of the State of Arizona, the undersigned, constituting the incorporators of this Association, executed these Articles of Incorporation to be effective from the filing date in January, 1989.

David D. Walker
DAVID D. WALKER, Incorporator

William B. Fulkerson
WILLIAM B. FULKERSON, Incorporator

STATE OF ARIZONA)
) ss.
County of YAVAPAI)

Subscribed and sworn to before me this 9th day of January, 1989 by DAVID D. WALKER.

Carolyn J. Traver
Notary Public

My Commission Expires:
My Commission Expires Dec. 20, 1991

STATE OF ARIZONA)
) ss.
County of YAVAPAI)

Subscribed and sworn to before me this 9th day of January, 1989 by WILLIAM B. FULKERSON.

Carolyn J. Traver
Notary Public

My Commission Expires:
My Commission Expires Dec. 20, 1991

I, Robert Erven Brown, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed, or resignation is submitted, in accordance with the Arizona Revised Statutes as of this 12th of January, 1989.

Robert Erven Brown
Robert Erven Brown, Esq.
Beyer & Brown, P.C.
9401 West Thunderbird, Suite 220
Peoria, Arizona 85345

(Articles, Inc-12/23/88-Villages)

