

STATE OF ARIZONA  
ACC/FAX  
DATE FILED

AUG 13 2002

DATE APPR 8-13-02  
TERM  
BY Margaret Cole

ARTICLES OF INCORPORATION

OF

1041484-8

CROSS CREEK RANCH COMMUNITY ASSOCIATION

In compliance with the requirements of §10-3201, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

ARTICLE 1  
NAME

The name of the corporation is Cross Creek Ranch Community Association. *JSLK*

ARTICLE 2  
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 Cross Creek Ranch to be recorded hereafter in the Official Records of Yavapai County Recorder, Yavapai County, Arizona, as such Declaration may be amended from time to time.

ARTICLE 3  
KNOWN PLACE OF BUSINESS

The known place of business of the Association shall be located at 15475 North Greenway-Hayden Loop, Suite B-20, Scottsdale, Arizona 85260.

ARTICLE 4  
STATUTORY AGENT

Steven L. Lisker, whose address is Two North Central Avenue, Suite 2200, Phoenix, Arizona, 85004, 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 5  
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 Areas of Association Responsibility 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 6  
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 Areas of Association Responsibility and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents. Such business may include, without limitation, the ownership and operation of a water company to provide domestic water service to the Association and its Members.

**ARTICLE 7  
MEMBERSHIP AND VOTING RIGHTS**

The Members of the Association shall be the Owners of Lots. All Owners of Lots 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 Owner of a Lot, a Person consents to becoming a Member of the Association. As provided in the Declaration, there initially will be two classes of Membership in the Association. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents. The provisions of the Declaration pertaining to classes of Membership and the voting rights of the Members are incorporated in these Articles of Incorporation by reference.

**ARTICLE 8  
BOARD OF DIRECTORS**

The number of directors constituting the initial Board of Directors shall be one (1). The name and address of the initial director of the Association who shall serve until his successors are elected and qualify is as follows:

<u>Name</u>	<u>Mailing Address</u>
Matthew H. Cody	15475 N. Greenway-Hayden Loop Suite B-20 Scottsdale, Arizona 85260

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 (i) the Board, so long as there is a Class B Membership, may amend the Bylaws without a vote of the Members, and (ii) the Declarant, so long as there is a Class B Membership, and thereafter the Board, without a vote of the Members and without the consent of any First Mortgagee, 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 9 OFFICERS

The following person shall be the initial officer of the Association and shall hold the positions opposite his name until his successors have been elected and qualify:

Matthew H. Cody - President and  
Secretary/Treasurer

#### ARTICLE 10 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. Any repeal or modification of this Article 10 shall be prospective only and shall not adversely affect the personal liability of a director or prior director for any act or omission occurring prior to the effective date of such repeal or modification.

#### ARTICLE 11 INDEMNIFICATION

The Association shall indemnify any Person made a party to any civil suit or criminal, administrative or investigative action, other than an action by or in the right of the Association, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, if he acted, or failed to act, in good faith and he reasonably believed (i) in the case of conduct in an official capacity with the Association, that the conduct was in its best interests, (ii) in all other cases, that the conduct was at least not opposed to its best interests and (iii) in the case of any criminal action or proceeding, that he had no reasonable cause to believe the conduct was unlawful. Any

indemnification of the Members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the provisions of the Arizona Revised Statutes pertaining to nonprofit corporations. Any repeal or modification of this Article 11 shall be prospective only and shall not adversely affect, defeat or limit the right of any Person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

#### ARTICLE 12 AMENDMENTS

These Articles may be amended by Members who own not less than seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Declarant, so long as there is a Class B Membership, and thereafter the Board, without a vote of the Members and without the consent of any First Mortgagee, 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. So long as the Declarant owns any Lot or any other property within the Project, any amendment to these Articles must be approved in writing by the Declarant.

#### ARTICLE 13 DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Members 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. So long as the Declarant owns any Lot or any other property within the Project, any dissolution of the Association must be approved in writing by the Declarant.

#### ARTICLE 14 DURATION

The corporation shall exist perpetually.

#### ARTICLE 15 ASSESSMENTS AND FEES

Each Member shall be obligated to pay Assessments and other fees and charges to the Association in accordance with the Project Documents.

**ARTICLE 16  
INCORPORATOR**

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

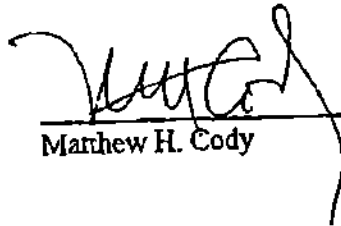
Name

Address

Matthew H. Cody

15475 N. Greenway-Hayden Loop  
Suite B-20  
Scottsdale, Arizona 85260

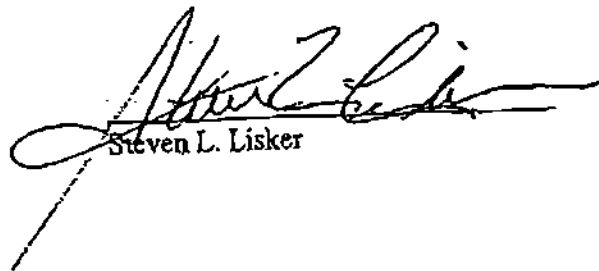
Dated this 12<sup>th</sup> day of August, 2002.

  
\_\_\_\_\_  
Matthew H. Cody

**ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT**

The undersigned, having been designated to act as statutory agent for this corporation, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 12<sup>th</sup> day of August, 2002.

  
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Steven L. Lisker