



AZ CORPORATION COMMISSION  
FILED

ARTICLES OF INCORPORATION  
FOR

VAL VISTA CLASSIC COMMUNITY ASSOCIATION

"EXP" JAN 17 2006

FILE NO. -1255887-1

ARTICLE I  
NAME

The name of the corporation is VAL VISTA CLASSIC COMMUNITY ASSOCIATION  
(the "Association").

ARTICLE II  
PURPOSE OF THE ASSOCIATION

The Association is organized as a nonprofit corporation under the Arizona Nonprofit Corporation Act. The character of the business which the Association intends to conduct in Arizona is to (a) act as a property owners' association in accordance with and subject to any Declaration of Covenants, Conditions, Restrictions and Easements (the "Declaration") with respect to the property commonly known as Val Vista Classic (the "Project") recorded by the owner of the Project ("Declarant") as the same may be amended from time to time; (b) provide for the management, maintenance and care of the common areas within the Project (collectively "Common Area") as well as any other areas of Association responsibility established in the Declaration; (c) provide for the orderly development, maintenance, preservation and architectural control of the Project as provided in the Declaration; and (d) exercise and perform such other powers and duties as are imposed upon or granted to the Association under the Declaration and A.R.S. § 10-3302.

Notwithstanding any other provisions of these Articles, if the Association elects to qualify under Section 501(c)(4) or Section 501(c)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), the Association shall not conduct or engage in any activity which would or could result in the revocation of its status as a corporation qualified under such Section of the Code. The Association does not contemplate securing any gain or profit to the Members of the Association; the Members shall have no individual interest in the profits of the Association, if any; and no part of the net earnings of the Association, if any, shall inure (other than by promoting social and recreational activities for Members, by a rebate of excess membership dues, fees or assessments, or by acquiring, constructing or providing management, maintenance and care of Association property) to the benefit of any Member of the Association or other individual.

ARTICLE III  
INITIAL ACTIVITY

The character of the business which the Association intends to conduct initially shall be to act as a property owners' association performing the duties and exercising the rights of the Association set forth in the Declaration.

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**ARTICLE IV**  
**KNOWN PLACE OF BUSINESS**

The principal office of the Association shall be located at 890 W. Elliot Road, Gilbert, AZ 85233 or such other place as may be designated from time to time by the Board.

**ARTICLE V**  
**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 death, resignation or removal is as follows:

<u>Name</u>	<u>Mailing Address</u>
Reed Porter	890 W. Elliot Road Gilbert, AZ 85233

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) nor more than nine (9) and must be an odd number. After the expiration of any period of Declarant control set forth in the Declaration ("Period of Declarant Control"), the number of directors must be at least three (3). The Board of Directors shall adopt the initial 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 Owner, as hereinafter defined, may amend the Bylaws in order to: (a) comply with applicable law if the amendment does not adversely affect the rights of any Owner; (b) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect any Owner; or (c) comply with the regulations or 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 VI**  
**OFFICERS**

Except for the initial officers designated in these Articles, the officers of the Association shall be elected in accordance with the Bylaws of the Association. The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until their successors have been appointed or elected and qualified:

Reed Porter	President
Joel Huston	Vice President
Phillip Christensen	Secretary/Treasurer

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**ARTICLE VII**  
**INDEMNIFICATION OF AND LIMITATION ON LIABILITY OF**  
**DIRECTORS, OFFICERS AND COMMITTEE MEMBERS**

To the fullest extent permitted by Arizona law as it may be amended from time to time, and subject to any mandatory limitations imposed by Arizona law, including any imposed by A.R.S. § 10-3202 or § 10-3851 or § 10-3852, the Association shall defend any and all of its existing and former directors, officers and committee members (including, but not limited to, existing and former members of the Committee) against claims made against them or any one of them because they were or are directors or officers, and the Association shall indemnify its directors, officers and committee members for liability and expenses incurred as a result of such claims, including but not limited to, legal fees and costs, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against them or any one of them for or on account of any act or omission alleged to have been committed by such person as a director, officer or committee member of the Association, whether or not any action is or has been filed against the person and whether or not any settlement or compromise is approved by a court. The Association shall also pay expenses in advance of a final disposition of a proceeding for directors, officers and committee members incurred in connection with a claim subject to defense and indemnification provided the director, officer or committee member meets the standards for an advance under A.R.S. § 10-3852 or § 10-3853.

B. A director shall have no personal liability to the Association or its Members for monetary damages for any action taken or any failure to take any action as a director, except liability for any of the following:

- (i) The amount of a financial benefit received by a director to which the director is not entitled;
- (ii) An intentional infliction of harm on the Association or the Members;
- (iii) A violation of A.R.S. § 10-3833; and
- (iv) An intentional violation of criminal law.

**ARTICLE VIII**  
**MEMBERSHIP AND VOTING RIGHTS**

The Association has Members. Every person or entity who is an Owner of any Lot is entitled to membership in the Association. Membership is appurtenant to, and inseparable from, ownership of the Lot. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Declaration. The Association shall be a non-stock corporation and shall be owned by all of its Members. No dividends or pecuniary profit shall be paid to the Association's members. 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. Each Member shall be obligated to pay assessments and other fees and charges to the Association in accordance with the Declaration.

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**ARTICLE IX**  
**BYLAWS**

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, 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 "FHA"), the Veterans Administration (the "VA") or any federal, state or local government agency whose approval of the Project, the Plat or the Declaration is required by law or requested by the Declarant under the Declaration.

**ARTICLE X**  
**CONFLICT WITH DECLARATION AND OTHER LIMITATIONS**

To the extent that any part or provision of these Articles is contrary to or inconsistent with provisions of the Declaration, the terms and provisions of the Declaration shall prevail. As set forth in the Declaration, the Association is subject to certain limitations. No amendment hereof, nor any action taken by the Association pursuant hereto, shall be contrary to or in conflict with the limitations set forth in the Declaration, and any such amendment or action shall be void to the extent of such inconsistency.

**ARTICLE XI**  
**FHA/VA APPROVAL**

During the Period of Declarant Control and if VA or FHA certification is desired by Declarant, the following actions will require the prior approval of the VA and FHA, unless such agencies have waived such requirements or unless the last sentence of this section applies: (i) annexation of additional properties into the Project (unless such annexation is in accordance with a plan of annexation or expansion previously approved by such agencies); (ii) mergers and consolidations; (iii) mortgaging or otherwise encumbering Common Area; (iv) dedication or other transfer of Common Areas; (v) dissolution of the Association; and (vi) amendment of these Articles, the Declaration or the Bylaws to the extent required to be approved by the FHA or VA pursuant to their rules and regulations. Consent of the FHA and VA to the foregoing will not be required if the FHA and VA have elected not to approve the Project for certification or if such approval has been revoked, withdrawn, canceled or suspended.

**ARTICLE XII**  
**DISSOLUTION**

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. 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 as the Board of Directors shall determine. In the event that such dedication is refused or not

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accepted, such assets shall be granted, conveyed, or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose as the Board of Directors shall determine.

### ARTICLE XIII 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 any applicable law if the amendment does not adversely affect the rights of any Owner; (b) correct any error or inconsistency in the Bylaws if the amendments does not adversely affect any Owner; or (c) comply with the requirements or 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 remains an Owner of one or more Units. Any amendment to these Articles shall require the prior written approval of the Master Association, with such approval not to be unreasonably withheld.

### ARTICLE XIV INCORPORATOR

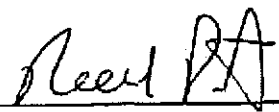
The name and address of the incorporator of the Association is:

<u>Name</u>	<u>Mailing Address</u>
Reed Porter	890 W. Elliot Road Gilbert, AZ 85233

### ARTICLE XV STATUTORY AGENT

Phillip Christensen, whose address is 890 W. Elliot Road, Gilbert, Arizona 85233, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed the initial statutory agent of the Association.

DATED this 31 day of December, 2005.

  
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 Reed Porter  
 Incorporator

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STATE OF ARIZONA  
ACCEPTANCE OF APPOINTMENT  
AS STATUTORY AGENT  
OF  
VAL VISTA CLASSIC COMMUNITY ASSOCIATION  
an Arizona nonprofit corporation

To: Arizona Corporation Commission  
Incorporating Division  
1300 West Washington  
Phoenix, Arizona 85007

Please be advised that Phillip Christensen, whose address is 890 W. Elliot Road, Gilbert, Arizona 85233, hereby accepts and acknowledges its appointment as statutory agent for service of process upon Val Vista Classic Community Association, an Arizona nonprofit corporation, and consents to act in that capacity until removal or resignation.

The undersigned hereby certifies that he has been a resident in the State of Arizona for a period in excess of three years.

DATED this 31 day of December, 2005.

  
\_\_\_\_\_  
Phillip Christensen

Jan-17-06 02:07pm From:NDMESHOW 480-821-9800 T-828 P.03/05 F-071

ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington  
Phoenix, Arizona 85007-2929

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

NONPROFIT  
CERTIFICATE OF DISCLOSURE  
A.R.S. Section 10-3202.D.

Val Vira Classic Communities Association  
EXACT CORPORATE NAME

- A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:
- Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
  - Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
  - 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 wherein such injunction, judgment, decree or permanent order:
    - Involves the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
    - Involves the violation of the consumer fraud laws of that jurisdiction?; or
    - Involves the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes \_\_\_\_\_ No X

B. IF YES, the following information MUST be attached:

- Full name and prior name(s) used.
- Full birth name.
- Present home address.
- Prior addresses (for immediate preceding 7-year period).
- Date and location of birth.
- Social Security number.
- The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

- C. Has any person serving either by election or appointment as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

Yes \_\_\_\_\_ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- Name and address of the corporation.
- Full name, including alias and address of each person involved.
- State(s) in which the corporation:
  - Was incorporated.
  - Has transacted business.
- Date of corporate operation.
- A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case.

D. The fiscal year end adopted by the corporation is December 31

Under penalty of law, the undersigned incorporator/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY Reed Porter DATE 1-17-06 BY Joel Hunter DATE 1/17/06  
TITLE Reed Porter, Incorporator and Director TITLE Joel Hunter, Officer

BY Phillip Christensen DATE 1/17/06 BY \_\_\_\_\_ DATE \_\_\_\_\_  
TITLE Phillip Christensen, Officer TITLE \_\_\_\_\_

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

CP: 0001 - Non-Profit  
Rev: 9/00

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