

AZ. CORP. COMMISSION
FILED

OCT 29 2002

ARTICLES OF INCORPORATION

APPR. W. Flay-Bastelo
TERM _____
DATE 10-29-02

OF

PECAN CREEK COMMUNITY ASSOCIATION, INC.
(an Arizona Nonprofit Corporation)

- 1051152-7

KNOW ALL MEN BY THESE PRESENTS:

THAT I, WILLIAM L. HAWKINS, for the purpose of forming a nonprofit corporation under the laws of the State of Arizona, do hereby adopt the following Articles of Incorporation ("Articles"):

ARTICLE I

NAME

The name of the corporation shall be the "PECAN CREEK COMMUNITY ASSOCIATION, INC." ("Association").

ARTICLE II

DURATION

The existence of the Association shall be perpetual.

ARTICLE III

PURPOSES OF CORPORATION AND CHARACTER OF ACTIVITIES

The purpose of organizing the Association and the character of the business of the Association is to provide for the management, maintenance, operation, replacement and repair of the Association Common Area and to perform all duties and exercise all rights imposed on or granted to the Association by the Governing Documents. In the pursuit of these purposes, the Association may transact any and all business authorized by federal and state laws applicable to nonprofit corporations.

ARTICLE IV.

BOARD OF DIRECTORS

The affairs of the Association shall be conducted by a board of directors ("Board"), as provided for in the Bylaws and the Declaration. The initial Board shall consist of the following five (5) persons, who shall serve as directors until their successors are duly elected in accordance with the Bylaws and the Declaration:

<u>Name</u>	<u>Address</u>
WILLIAM L. HAWKINS	9318 North 95 th Way, Suite 201 A Scottsdale, Arizona 85258
B. MILLS SINCLAIR	9318 North 95 th Way, Suite 201 A Scottsdale, Arizona 85258
THOMAS J. TIERNEY	2250 East Beachcomber Drive Gilbert, Arizona 85234
HAROLD J. CHRIST	2250 East Beachcomber Drive Gilbert, Arizona 85234
MICHAEL JOHNSON	3012 North 32 nd Street Phoenix, Arizona 85234

ARTICLE V.

STATUTORY AGENT AND KNOWN PLACE OF BUSINESS

The name and address of the initial statutory agent of the Association ("Statutory Agent"), which is also the address of the known place of business for the Association, is:

WILLIAM L. HAWKINS	9318 North 95 th Way, Suite 201 A Scottsdale, Arizona 85258
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ARTICLE VI
INCORPORATOR

The name and address of the incorporator is:

WILLIAM L. HAWKINS 9318 North 95th Way, Suite 201 A
Scottsdale, Arizona 85258

ARTICLE VII.
MEMBERSHIP

The Association will have members ("Members"). Membership in the Association shall be limited to Owners of the Lots and Parcels of PECAN CREEK, and each and every person or entity who is a record owner of any Lot or Parcel shall automatically be a Member and shall remain a Member until no longer an Owner. Membership is appurtenant to and inseparable from ownership of a Lot or Parcel. Each Owner shall have such rights, privileges, and powers in the Association as are set forth in the Bylaws and the Declaration.

ARTICLE VIII.
LIMITATION OF LIABILITY AND INDEMNIFICATION OF DIRECTORS

A director shall not be personally liable for, and shall be indemnified by the Association for any liability resulting from, any actions taken (or not taken) as a director of the Association except with regard to: (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 or the Members; (3) an unlawful distribution in violation of Arizona Revised Statute §10-3833; or (4) an intentional violation of the criminal laws.

ARTICLE IX.

BYLAWS

The initial Board shall adopt the initial bylaws of the Association ("Bylaws"). The power to alter, amend, or repeal the Bylaws is reserved to the Members, except that during the Declarant Control Period, the Declarant may, without the vote of the Members, 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 ("VA"), or any federal, state, or local government agency whose approval of the PECAN CRBEK project, the Plat, and the Governing Documents is required by law or requested by the Declarant; provided, however, that during the Declarant Control Period, any amendment to the Bylaws must be approved by the VA or the United States Department of Housing and Urban Development ("HUD"), as provided herein. For the purposes of these Articles, the "Declarant Control Period" shall commence with the Recording of the Declaration by the Declarant and shall end on the date that the Class B Membership terminates, as provided in the Governing Documents.

ARTICLE X.

DISSOLUTION

The Association may be dissolved by the written and signed consent of those Owners holding two-thirds (2/3) of the total votes of the Class A Members entitled to vote and those owners holding two-thirds (2/3) of the total votes of the Class B Member (if any). Upon dissolution other than by merger or consolidation, the remaining assets of the Association shall be dedicated to such public agency (or agencies), as the Board shall determine, for the purposes similar to those for which the Association was created; provided, however, that 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, as the Board shall determine, for the purposes similar to those for which the Association was created.

ARTICLE XI.

AMENDMENTS

These Articles may be amended only by the written consent of those Members holding two-thirds (2/3) of the total votes of all Class A Members entitled to vote and those members holding two-thirds (2/3) of the total votes of the Class B Member (if any).

ARTICLE XII.

ACTIONS REQUIRING VA/HUD APPROVAL

Notwithstanding the foregoing, during the Declarant Control Period, the following actions shall require the approval of the VA and/or HUD: (a) annexation of additional properties; (b) mergers or consolidations; (c) mortgages of the Association Common Area; (d) dedication of the Association Common Area; (e) dissolution of the Association; or (f) amendment of these Articles or the Bylaws. Approval by the VA or HUD of an amendment to these Articles or the Bylaws shall be deemed given if: (1) an application for approval is made in writing together with written certification complying with VA/HUD guidelines stating that the Articles, as amended, will continue to comply with applicable VA/HUD requirements; and (2) the VA and/or HUD does not remove the PECAN CREEK property from its list of approved projects or otherwise objects to the application within thirty (30) days following the submission of the application.

ARTICLE XIII.

DEFINITIONS AND CONSTRUCTION

Any capitalized terms in these Articles that are not otherwise defined herein shall

have the same meaning as provided in the Declaration of Covenants, Conditions and Restrictions for PECAN CREEK ("Declaration") made by PECAN CREEK, L.L.C., an Arizona limited liability company ("Declarant"). In the event that the terms of these Articles conflict with the terms of the Bylaws, the terms of these Articles shall control; and in the event that the terms of these Articles conflict with the terms of the Declaration, the terms of the Declaration shall control.

IN WITNESS WHEREOF, the said incorporator has hereunto signed these Articles of Incorporation this 23rd day of OCTOBER, 2002.



WILLIAM L. HAWKINS, Incorporator

CONSENT OF STATUTORY AGENT

The undersigned, having been designated to act as Statutory Agent, hereby consents to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.



WILLIAM L. HAWKINS, Statutory Agent

Date: 10/23/02