

AZ CORPORATION COMMISSION
FILED "EXP"

MAY 12 2005

FILE NO. - 1201822-9

AZ Corp. Commission
01213519

ARTICLES OF INCORPORATION
OF
THE VILLAS ON ELM HOMEOWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Arizona, does hereby adopt the following Articles of Incorporation.

1. Name and Duration: The name of this corporation (hereinafter "Association") shall be the The Villas on Elm Homeowners Association, Inc. The duration of the Association shall be perpetual.

2. Principal Place of Business: The initial known place of business and principal office for the transaction of business of the Association is located at 7742 E. Florentine Road, Prescott Valley, Arizona, 86314.

3. Statutory Agent: The name and address of the Association's initial Statutory Agent, a bona fide resident of the State of Arizona for more than three years, are: Thomas P. Kack, Esq., MUSGROVE, DRUTZ & KACK, PC, 1135 Iron Springs Rd., Prescott, AZ 86305.

4. Nonprofit Corporation: This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

5. Purpose and Powers: This Association does not contemplate the distribution of gains, profits or dividends to its Members. The specific primary purposes for which it is formed are to provide for the management, operation, administration, maintenance, repair, improvement, preservation, and architectural control of the Common Area and all other areas for which the Association has such responsibility within that certain Property located in Yavapai County, Arizona, set forth in the plat recorded on January 31, 2005 in Book 52 of Maps, Pages 37-39, official records of Yavapai County and all property annexed thereto, if any, which purposes are described in that certain Declaration of Covenants, Conditions and Restrictions, and Easements for The Villas on Elm Homeowners Association, Inc. recorded at Book 4229, Page 181, records of Yavapai County and as thereafter amended from time to time (hereinafter the "Declaration") and to promote the health, safety and welfare of all the owners within the above-described Property and the jurisdiction of the Association for these purposes, all according to the Declaration.

In furtherance of said purposes and subject to the provisions of the Declaration, this Association shall have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Nonprofit Corporation Act (A.R.S. Section 10-3101 et seq.) by law may now or hereafter have or exercise.

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6. Membership Voting Rights: The number and qualifications of Members of the Association, the property, voting and other rights and privileges of Members, their liability of assessments and the method of collection thereof shall be as set forth in the Declaration and the Bylaws.

7. Board of Directors: The affairs of this Association shall be managed by a Board of not less than one (1) nor more than five (5) Directors the exact number of which shall be fixed in the Bylaws, or amendments thereof, duly adopted by the Members or by the Board of Directors. The initial Board of Directors and Officers, who shall serve until their successors are elected or appointed according to the Bylaws, are as follows:

Director, President, Secretary and Treasurer:

Chris Read
Read Homes, Inc.
731 S. Hwy. 101, #12
Solana Beach, CA 92075

8. Elimination of Director Liability: As set forth in the Arizona Nonprofit Corporation Act, each Director and officer shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or omission resulting in damage or injury if said Director or Officer was acting in good faith and within the scope of his official capacity (which is any decision, act or event undertaken by the Association reasonably believed to be in furtherance of the purpose or purposes for which it is organized), unless such damage or injury was caused by willfull and want on or grossly negligent conduct of the Director or Officer. The present and former Officers and Directors of the Association shall be indemnified against, and they shall not be liable to any person or entity for, any or all claims made against them in such capacity and present or former Officers and Directors of the Association shall not be liable to the Association for monetary damages for breach of fiduciary duty, all to the greatest extent permitted by law. If subsequent legislation permits the Association to indemnify, exculpate or limit the liability of its present and former Officers and Directors, to a greater extent than is currently permitted under existing law, then the Association shall indemnify, exculpate and limit the liability of its present and former Officers and Directors, to the extent permitted by such subsequent legislation. The rights to indemnification provided pursuant to this Article cannot be transferred or assigned to any person or entity, including, without limitation, an insurance carrier, and no person or entity may be subrogated to such rights. Without limiting the foregoing, it is the intention of this paragraph to provide for the Directors and Officers the full benefits and immunities and indemnification created by or available under the provisions of A.R.S. Sections 10-3830(D), 10-3842(D) and the provisions of Title 10, Chapter 31, Article 5, Arizona Revised Statutes, as the same may be expanded or modified in the future.


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10 Incorporator: The name and address of the Incorporator of the Association is:

Chris Read
731 S. Hwy. 101, #12
Solana Beach, CA 92075

11. Definitions and Conflicts: All capitalized terms used herein not defined herein shall have the meaning set forth for such terms in the Declaration and in the event of a conflict between the terms of these Articles and the Declaration, the Declaration shall control.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation this 11 day of May, 2008.

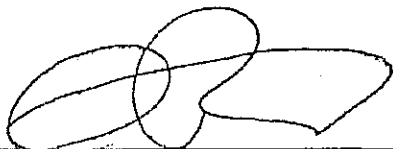
By: 
Chris J. Read, Incorporator

CT CORPORATION SYSTEM

3225 North Central Avenue
Phoenix, AZ 85012
Tel. 602 277 4792
Fax 602 266 9604

STATUTORY AGENT

I, Thomas P. Kack, of MUSGROVE, DRUTZ & KACK, PC, 1135 Iron Springs Rd., Prescott, Arizona, 86305-2720, accept appointment as the Arizona Statutory Agent for The Villas on Elm Homeowners Association, Inc.



Thomas P. Kack

May 10, 2005
Date

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Secretary
DAVID RABER
Director, Corporations Division

June 10, 2005

TOM KACK
1135 IRON SPRINGS RD
PRESCOTT, AZ 86305

RE: THE VILLAS ON ELM HOMEOWNERS ASSOCIATION, INC.
File Number: -1201822-9

We are pleased to notify you that your Articles of Incorporation were filed on May 12, 2005.

You must publish a copy of your Articles of Incorporation. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona (as filed with the Commission) for three (3) consecutive publications. A list of newspapers is available on the Commission web site. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing within NINETY (90) DAYS from the date of this letter. Make sure the newspaper publishes the corporation documents using the exact name filed with the Commission.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report form will be mailed to the corporation's known place of business approximately two months prior to the due date of the report. Should the report fail to arrive, contact the Commission. It is imperative that corporations notify the Commission immediately (in writing) if they change their corporate address, statutory agent or agent address. Address change orders must be executed (signed) by a corporate officer. Postal forwarding orders are not sufficient.

The Commission strongly recommends that you periodically check Commission records regarding the corporation. The Commission web site www.cc.state.az.us/corp contains information specific to each corporation of record and is a good general source of information.

If you have any questions or need further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,
DELTA WILLIAMS
Examiner
Corporations Division

CF:04, Rev:01/2004

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

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

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 Villas on Elm Homeowners Association, Inc.
EXACT CORPORATE NAME

THE UNDERSIGNED CERTIFY THAT:

A. No persons serving either by elections 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 antitrust 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 restraint of trade or monopoly 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 wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the 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 antitrust or restraint of trade 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. | 6. Social Security number. |
| 2. Full birth name. | 7. 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. |
| 3. Present home address. | |
| 4. Prior addresses (for immediate preceding 7-year period). | |
| 5. Date and location of birth. | |

Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% 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?

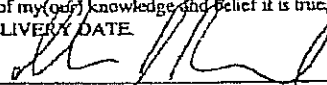
Yes _____ No X _____

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. | 3. State(s) in which the corporation: |
| 2. Full name (including aliases) and address of each person involved. | (a) Was incorporated. (b) Has transacted business. |
| | 4. Dates of corporate operation. |
| | 5. Date and case number of Bankruptcy or date of revocation/administrative dissolution. |

D. The fiscal year end adopted by the corporation is December 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, correct and complete. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY  BY _____
 PRINT NAME: Chris J. Read PRINT NAME _____
 TITLE President DATE 5-11-05 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.