

**BROKEN ARROW RANCH
CONDOMINIUM ASSOCIATION**

EXPEDITED
AZ CORP COMMISSION
FILED

ARTICLES OF INCORPORATION
OF
BROKEN ARROW RANCH CONDOMINIUM ASSOCIATION

SEP 9 4 16 PM '98
APPROVED: Tom Wood
DATE APPROVED: 9/8
TERM: 98
OFFICE AS

In compliance with the requirements of §10-2301, et seq., Arizona Revised Statutes, as amended, the undersigned, all of whom are of full age, having this date voluntarily associated themselves for the purpose of forming a nonprofit corporation, and do hereby certify:

085A249

ARTICLE I
NAME

The name of the corporation shall be Broken Arrow Ranch condominium Association.

ARTICLE II
DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. §§33-1201, et seq., and the Condominium Declaration for Broken Arrow Ranch Condominiums recorded with the County Recorder of Maricopa County, Arizona, as it may be amended from time to time.

ARTICLE III
STATUTORY AGENT

Dan G. Curtis, whose address is 6750 East Camelback Road, Suite 104, Scottsdale, Arizona 85251, 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 the initial statutory agent for the Corporation.

ARTICLE IV
PURPOSE OF THE ASSOCIATION

The object and purpose for which the Association is organized is to provide for the management, maintenance, and care of the Common Elements and to perform such other duties as are imposed upon the Association under the Condominium 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 V
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 Common Elements and to exercise and perform such other powers and duties as are imposed upon or granted to the Association under the Condominium Act and the Condominium Documents.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

Membership in the Association shall be limited to the Unit Owners. Each Unit Owner shall have such rights, privileges and votes in the Association as are set forth in the Condominium Documents.

ARTICLE VII
BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who shall serve as directors until the first annual meeting of the members or until their successors are elected and qualified are as follows:

D.E. Zingg
P.O. Box 17630
Fountain Hills, Arizona 85269

Lance R. Shaw
13229 North Verde River Drive, Suite 200
Fountain Hills, Arizona 85268

Charles P. Viau
13229 North Verde River Drive, Suite 200
Fountain Hills, Arizona 85268

The number of directors may change from time to time by the Board of Directors, but the number of directors may not be less than three (3) nor more than nine (9) and must be an odd number.

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 Unit Owner, may amend the Bylaws in order to (i) comply with the **Condominium Act** or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner, (ii) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect any Unit Owner, or (iii) 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 VIII
LIMITATION ON LIABILITY OF DIRECTORS

The personal liability of any 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 but, except to the extent permitted by the Arizona Nonprofit Corporation Act.

ARTICLE X
INDEMNITY

Subject to the further provisions hereof, the Association shall indemnify any and all of its directors, officers, former directors and former officers, against all expense incurred by them and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director or officer of the corporation. Whenever any director, officer, former director or former officer shall report to the President of the corporation or the Chairman of the Board of Directors that he has incurred or may incur expenses, including but not limited to legal fees, judgments and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the corporation, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, failed to act, or refused to act willfully or with cross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him in the action.

ARTICLE IX
DISSOLUTION

The Association may be dissolved with the consent given in writing and signed by Members representing not less than eighty percent (80%) of the total votes in the Association. Upon any such dissolution of the Association, other than incident to a merger or a consolidation, the assets of the Association shall be dedicated, granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization designated by the Members approving the dissolution as being the entity which will thereafter perform the duties and obligations of the Association under the Condominium Documents.

ARTICLE X
AMENDMENTS

These Articles may be amended by Members representing 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 (i) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner, (ii) correct any error or inconsistency in the Bylaws if the amendments do not adversely affect any Unit Owner, or (iii) 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.

ARTICLE XI
DURATION

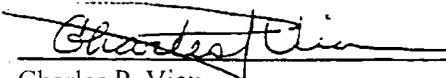
The Corporation shall exist perpetually.

ARTICLE XII
INCORPORATORS

The name and address of the incorporator of this Association are:

Charles P. Viau
13229 North Verde River Drive, Suite 200
Fountain Hills, Arizona 85268

Dated this 25th day of August, 1998.

:


Charles P. Viau

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"

BROKEN ARROW RANCH CONDOMINIUM ASSOCIATION
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 my 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. | |

C. 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, 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 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. |

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

Under penalties of law, the undersigned incorporator(s)/officer(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 Charles P. Vian By _____

PRINT NAME Charles P. Vian PRINT NAME _____

TITLE Incorporator/Director DATE 8/25/98 TITLE _____ DATE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty (60) 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.