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ARTICLES OF INCORFORATION

OF

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RANCHO VERDE HOMEOWNER'S ASSOCIATION, INC., an Arizona nonprofit corporation

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In compliance with the requirements of §10-2301, gr. seq., Arizona Revised Itatutes, as may from time to time be amended, the undersigned, all of whom are of full legal age, have voluntarily associated themselves on the date set forth below for the purpose of forming an Arizon's nonprofit corporation. All of the undersigned incorporators certify and adopt the following Articles of I corporation ("Articles"):

ARTICLE I

NAME AND TERM

The name of the corporation is Rancho Verde Homeowner's Association, Inc. ("Association"). The Association will exist perpetually.

ARTICLE II

DEFINED TERMS

Terms in all capital letters used but not defined in these Articles will have the meanings specified for those terms in the Declaration of Homeowner Benefits and Covenants, Coultions, and Restrictions for Rancho Verde Homeowner's Association, Inc., recorded in Document No.

Official Records of Maricopa County, Arizona ("Declaration"). If there is any conflict between the Articles and the Declaration, the Declaration will control. As used in these Articles, the term "Association Property" means the COMMON AREAS, all property and improvements within the PROPERTY used in common by and for the benefit of the OWNERS of LOTS, all other real and personal property, if any, owned by the Association or placed under its jurisdiction, and any additions to any of the foregoing that may be brought within the jurisdiction of the Association pursuant to the Declaration.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association is located at 8035 North 85th Way, Scottsdale, 1.1 85258.

ARTICLE IV

MEMBERSHIP

Jon M. James, whose address is 2141 E. Highland Avenue, Suite 190, Phoetix, Arizona \$5016, and who has been a bona fide resident of the State of Arizona for more than three (!) years last past, is appointed and designated as the Statutory Agent for the corporation for the State of Arizona, upon whom service of process may be made. This appointment may be revoked at any time by 1: a Board of Directors of the Association by the filing of the appointment of another Statutory Agent.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to provide for the ownership, management, maintenance, and care of the Association Property and for the administration of the affairs of the Association. In furtherance of, and in order to accomplish these objectives and purposes, the Association may transact any or all lawful business for which nonprofit corporations may be incorporated under laws of the State of Arizona, as these laws may be amended from time to time, including the power to indemnify the Board of Directors, officers, MEMBERS, employees, or of ents of the Association in the manner specified in the Bylaws. All business transacted by the Association on will be transacted in a way so as to further its tax-exempt status as an association under the Internal Revenue Code, if the Association so elects to be treated as a tax-exempt organization. The exist are of the Association will commence on the date of the filling of these Articles with the Arizona Torporation Commission.

ARTICLE VI

MEMBERSHIP

- 1. <u>Identity of Members.</u> The Association is a non-stock corporation. N: dividends or pecuniary profits will be paid at any time to its MEMBERS. Membership in the Association is limited to OWNERS of LOTS. Upon becoming the OWNER of a LOT, the OWNER becomes a M: MBER of the Association and will remain a MEMBER of the Association until the ownership ceases, for any reason, at which time the OWNER's membership in the Association will cease automatically.
- 2. Transfer of Membership. Membership in the Association is appurted not be each LOT and a membership in the Association will not be transferred, pledged, or alienated in any vivy, except. (i) upon the sale of a LOT, and then only to the purchasers; (ii) by intestate succession or to tamentary disposition; (iii) foreclosure of mortgage (or similar security instrument) of record; or (iv) other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.
- 3. <u>First Annual Meeting.</u> The first annual meeting of the MEMBELS of the Association will be held on September, 1998, or at any other date designated by the Board of Directors;

602-542-9788

however, the first annual meeting of the MEMBERS of the Association must be held no later I am one (1) year after The date of the close of escrow on the first LOT sold by the DECLARANT to an ON NER.

ARTICLE VII

VOTING RIGHTS

- Classes of Members. The Association will have two classes of voting membership, Class A and Class B.
- Class A members are all OWNERS of LOTS with the execution of the DECLARANT. Each Class A member is entitled to one (I) vote for each LOT owned.
- Class B. The Class B member is the DECLARANT. The Class E member is 3. entitled to three (3) votes for each LOT owned. The Class B membership will cease and be converted to Class A membership upon the expiration of the period of DECLARANT CONTROL.
- 4. Cumulative Voting. There is no cumulative voting on any matter re ded to the administration or organization of the Association or its matters.

ARTICLE VIII

BOARD OF DIRECTORS

Number and Affairs. The affairs of the Association will be conducted | y a Board of Directors of the Association (sometimes individually or collectively called "Board," 'Directors," "Director," or "Board of Directors") and any officers and committees that the Board may elect and appoint. The Board of Directors will be elected by the MEMBERS, and Board of Directors electic s may be conducted by mail or any other method permitted in the Bylaws or under Arizona law. So long : there is a Class B membership in the Association, the Directors need not be MEMBERS of the Association. After the termination of the Class B membership, all Directors must be MEMBERS of the Association. The Board may increase the number of Directors on the Board; however, the number of Directors it ist always be an odd number and may not exceed seven (7) Directors. The number of Directors constitutin: the initial Board will be three (3), one of which will serve a three (3) year term, one of which will serve a two (2) year term, and one of which will serve a one (1) year term. All additional Directors that ma, be added from time to time to the Board (i.e., in addition to the initial three (3) and up to seven (7) me i bers) will serve three (3) year terms. The names and addresses of the initial Board of Directors of the Assimilation are as follows:

Name

Mailing Address

Randall Raskin

602-542-9788

2141 East Highland Avenue

(3 year term)

Suite 190

Phoenix, AZ 85016

John Hill

8035 N. 85th Way

(2 year term)

Scottsdale, AZ 85258

Jon James

2141 East Highland Avenue

(1 year term)

Suite 190

Phoenix, AZ 85016

The initial Directors will serve for the terms specified below their names and until their successors have been elected and qualified. Successor Directors to the initial Directors also will serve the one, 1, 10, or three year terms specified above.

Bylaws. The Board is expressly authorized to adopt bylaws for the association ("Bylaws"), by unanimous written consent or by a majority vote of the Board at a regular or special meeting of the Board.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the affirmative written approval of two-hirds (2/3) or more of the total number of eligible votes of each cross of MEMBERS in the Association. Upon dissolution of the Association other than incidental to a merger or consolidation, the assets of the Association will be dedicated to an appropriate public agency to be used for purposes similar :) those for which this Association was created. In the event that a dedication is refused, the assets will be granted, conveyed, or assigned to any nonprofit corporation, association, trust, or other organization to be devoted to a similar purpose or purposes.

ARTICLE X

AMENDMENTS

Any amendment of these Articles will require the affirmative approval of eventy-five percent (75%) or more of the total number of eligible votes of each class of MEMBERS in the /. sociation.

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ARTICLE XI

INCORPORATORS

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

Name

Address

Jon James John Hill 2141 East Highland Ave., #190, Phoenix, 11 2 85016

8035 N. 85th Way, Scottsdale, AZ 85258

FHA/VA APPROVAL

As long as there is a Class B membership in the Association and if either if IA or VA financing is applicable to all or any portion of the PROPERTY, the following will require the prior approval of the Federal Housing Administration or the Veterans Administration, if applicable; (i) amexation of additional properties; (ii) mergers and consolidations: (iii) mortgaging of COMMON AREAS; (iv) dedication of COMMON AREAS; and (v) dissolution and amendment of these Art cless.

ticles as of,199	of the incorporators of the Association has extinted the
	Incorporator
20.	Olu. B. His
	Incorporator
	Statutory Agent

STATE OF ARIZONA) ss. County of Maricopa OFFICIAL SEAL SUSAN MAUL (stary public - Arizor) MARICOPA COUNT) My Commission Explication (March 10, 2001) March 10, 2001						
On this, the 7"day of All CLS 1997, before me, the undersigned Notary Public, personally appeared 100 000000000000000000000000000000000						
IN WITNESS WHEREOF, I hereunto set my hand and official scal. Susan Mail Notary Public						
My Commission Expires:						
3-10-2001						
STATE OF ARIZONA State of Arizona State of Arizona Maricopa County My Commission Expires March 10, 2001						
On this, the Thirday of August 1997, before me, the undersigned Natary Public, personally appeared August 1997, known to me to be the per an whose name is subscribed to the within instrument and acknowledged that he executed the same for the apposes therein contained.						
IN WITNESS WHEREOF, I hereunto set my hand and official seal. SUSCIN Microsoft Notary Public						
My Commission Expires:						
3-10-201						

ARIZONA CORPORATION COMMISSION CORPORATIONS DIVISION

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

602-542-9788

Tucson Address: 400 Vi st Congress

Tucso : Arizona 85701-1347

CERTIFICATE OF DISCLOSURE A.R.S. Sections 10-128 & 10-1084

CHECK APPROPRIATE BOX(ES) A or B ANSWER C'

THE UNDERSIGNED CERTIFY THAT:

'No persons serving either by elections or appointment as officers, directors, incorporators and persons contribing, or holding more than 10% of the issued and putstanding common shares or 10% of any other proprietary, beneficial or ment tenship interest in the corporation:

Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any stat: 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, that by faise pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediatel preceding the execu-

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 where 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:

D. C. following information MUST be attached:

1. Full name and prior name(s) used.

2. Full birth name. 3. Present home address.

AUG 2 6 1997

Prior addresses (for immediate preceding 7-year ported).

5. Date and location of birth.

5. Social Security number.

7. The nature and description of each conviction or judicial action, date and location, the co. it and public agency involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.A.S. Sections 10-128,01 and 10-1083

C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had it : charter revoked? Yes

IEYQURANSWERTOTHE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPO

1. Name and address of the corporation.

2. Full name, including alias and address of each person involved.

3. State(s) in which the corporation:

(a) Was incorporated.

(b) Has transacted business.

4. Dates of corporate operation.

5. A description of the bankruptcy, represents or charter revocation, including the date, co. 1 or agency involved and the file or cause number of the case.

Under penalties of law, the undersigned incorporators/Officers declare that we have examined this Certificate, incluiting any attachments, and to the best of our knowledge and belief it is true, correct and complete.

TITLE

FISCAL DATTE

ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF D ICLOSURE. (If more than four incorporators, please attach remaining signatures on a sepal te sheet of paper.)

When initial officers have been elected, an AMENDED Certificate mu; be tiled within sixty (60) days of original filings and must be signed by two (2) executive of iters and directors.

C/F: 001 - Domostic Rev. 9/94

RECEIVED

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ARIZONA CORP. COMMISSION CORPORATIONS DIVISION

OO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

RECORDS REQUEST FORM

THIS FORM MUST BE SUBMITTED WITH AN ORDER FORM.

USE ONE RECORDS REQUEST FORM FOR EACH ENTITY.

Please note that a "document" means all pages in A.C.C. records that are entered under one document identification number. This means, for example, if you request a copy of a merer, you will get the Articles of Merger plus any and all other documents submitted with the Articles, because the entire package is in A.C.C. records under one document id number and is considered to be one document.

**	~	Rancho Verde Homeowners A	mation on:	Inc -	-08088854	_
2.	REC	CORDS OR SERVICE REQUESTED — check all boxes that applyed in number 1:	r to indicate	e what information	ı you want on the entity y	่อน
		Archival records search (this is a search for very old entitie records)	s that may	or may not appe	ir on A.C.C. computerized	
		Certified copy of one or more documents – list the documents. Annual Report for year 2009) and put the quant	ients below tity if you v	(<i>example</i> – Arti: vant more than c	es of Incorporation, all e copy of each:	
	Ø)
	ι ν .	Uncertified (plain) copy of documents - list the document Report for year 2008): Articles of Incorpo			of Incorporation, Annual	/
			í l	7) -	*	_
		A Certificate (not for copies) - describe what you want the does not exist in A.C.C. records, or that certain entities merger	certificate	to say, for examp	e, that a particular entity	
		Certificate of Good Standing.	ji			_
3.	to ex	MENT – the fees are listed below. Pre-payment is required. Be ments is not readily determinable, we will accept checks writter ceed ten dollars and no cents." Submit payment with the Orde edited processing is available by adding \$35.00 to the fee	tor inot to	exceed" a certa	l) amount, for example, "n	ot
		Archival Records Search FEES (A.R.S. §§ 10-122, 10	0-3122, and	29-851)		
	-	raiding records search		\$5.00		
	r	Certified copy – corporations (per document) Certified copy – LLCs (per document)	1	\$5.00 + 50	cents per page	
		Certificate (any type that is not for conice)		\$15.00 + !	cents per page	
		Uncertified or plain copy - corporations (per decision)		\$10.00		
		Uncertified or plain copy – corporations (per document) Uncertified or plain copy – LLCs (per document)		50 cents p	· page	
		*Expedited processing is available by adding \$35.00 to the fee	for arm	\$5.00 + 50	cents per page	
	-	to the ree	for any rec	uest or service.		

* Payment not to exceed \$15.00. fc