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STATE OF ARIZONA CORPORATION COMMISSION

NONPROFIT CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE FOREIGN / DOMESTIC

FOR FISCAL YEAR ENDING 12/31/1996

DUE ON OR BEFORE 04/15/1997

The following information is required by A.R.S. §10-1081 for all domestic and foreign nonprofit corporations authorized to conduct affairs in Arizona. The Commission's authority to prescribe this form is A.R.S. §10-1092. MAKE CHANGES OR CORRECTIONS WHERE NECESSARY.

Corporation File: -0744648-2
Corporation Name: SUPERSTITION MOUNTAIN HOMEOWNERS ASSOCIATION
Address: 200 E SOUTHERN

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APR 02 1998

City, State, Zip: APACHE JUNCTION AZ 85219-
Domicile: ARIZONA
Type: NON-PROFIT

ARIZONA CORP. COMMISSION CORPORATIONS DIVISION

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ARIZONA CORP. COMMISSION CORPORATIONS DIVISION

Arizona Statutory Agent: WESTERN MEDIA INC - Bart Park III
Street Address: 200 E SOUTHERN - 4605 E Elwood #440
(NOT P.O. BOX)

City, State, Zip: APACHE JUNCTION AZ 85219 Phoenix, AZ 85040

1. Check the one category below which best describes the CHARACTER OF AFFAIRS conducted by your corporation in Arizona.

- 1. Charitable 2. Benevolent 3. Educational 4. Civic 5. Patriotic 6. Political 7. Religious
8. Social 9. Fraternal 10. Literary 11. Cultural 12. Athletic 13. Science/Research 14. Hospital/Health Care
15. Agricultural 16. Horticultural 17. Animal Husbandry 18. Homeowners' Association 19. Professional, commercial, industrial, or trade association 20. Other

JUN 08 1998

REINSTATEMENT \$25.

ACC USE ONLY stamp with PAID and Total 43

2. NUMBER OF EMPLOYEES: Please check one. (For statistical purposes only.)

25 or Less [checked] 26 - 100 101 - 500 Over 500

3. If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below and PRESIDENT or VICE PRESIDENT must sign page 4 of this report.

I, (individual) or We, (corporation) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Bart Park III
Statutory Agent Name
Signature

4605 E Elwood #440
Address
Phoenix, AZ 85040
City, State, Zip

4. Foreign Corporations list Address in Domicile Jurisdiction:

Street/P. O. Box City, State, (Country) Zip

-- PLEASE MAKE CORRECTIONS ON A SEPARATE SHEET --

5. **OFFICERS** (If no changes since last report, check here ___ and go on to Section 6.)

PRESIDENT: Mary Walsh
~~ZOE SWANAGON~~

Address: 200 E SOUTHERN AVE #186
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

SECRETARY: Lois Avila
~~LOVERN KING~~

Address: 200 E SOUTHERN AVE #16119
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

VICE PRESIDENT: Irene Weiss
~~Mary Jennings~~
~~LOVERN KING~~

Address: 200 E SOUTHERN AVE #16 223
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

TREASURER: Judy Bernstein

Address: 200 E Southern Ave #164
Apache Junction Az 85219

Date taking office: 01-15-97

6. **DIRECTORS** (If no changes since last report, check here ___ and go on to Section 7.)

NAME: Irene Weiss
~~ZOE SWANAGON~~

Address: 201 E SOUTHERN AVE #1895
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

NAME: Vera Martin
~~JODIE DEREMER~~

Address: 200 E SOUTHERN AVE #183
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

NAME: Darlene Trout
~~ROBYN COE~~

Address: 200 E SOUTHERN AVE # 50
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~ 01-15-97

NAME: BELVA JUDKINS

Address: 200 E SOUTHERN AVE
APACHE JUNCTION, AZ 85219-

Date taking office: ~~03-21-95~~

SUPERSTITION MOUNTAIN HOMEOWNERS' ASSOCIATION
(An Arizona Non-Profit Homeowners' Association)

RECEIVED MAY 29 1998

BALANCE SHEET
(Unaudited) (Note 7)
DECEMBER 31, 1996

	[-----EXPENDABLE FUND-----] [GENERAL FUND-] RECREATION FUND		NON EXPENDABLE BUILDING FUND	TOTAL
ASSETS				
Current Assets				
Cash in Bank	\$85,255.28	\$0.00	\$0.00	\$85,255.28
Accounts Receivable	61,584.68	0.00	0.00	61,584.68
Prepaid Expenses	<u>7,490.64</u>	<u>0.00</u>	<u>0.00</u>	<u>7,490.64</u>
Total Current Assets	\$154,330.60	\$0.00	\$0.00	\$154,330.60
Fixed Assets (Notes 1&2)				
Improvements	\$0.00	\$0.00	\$23,104.52	\$23,104.52
Furniture & Equipment	0.00	0.00	5,394.45	5,394.45
Less: Accumulated Depreciation	<u>0.00</u>	<u>0.00</u>	<u>(3,779.99)</u>	<u>(3,779.99)</u>
Total Fixed Assets	\$0.00	\$0.00	\$24,718.98	\$24,718.98
TOTAL ASSETS	<u>\$154,330.60</u>	<u>\$0.00</u>	<u>\$24,718.98</u>	<u>\$179,049.58</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts Payable	\$4,536.75	\$0.00	\$0.00	\$4,536.75
Accrued Expenses	1,735.11	0.00	0.00	1,735.11
Deferred Revenue (Note 1)	<u>16,687.25</u>	<u>0.00</u>	<u>0.00</u>	<u>16,687.25</u>
Total Current Liabilities	\$22,959.11	\$0.00	\$0.00	\$22,959.11
Total Liabilities				
Fund Balances (Note 6)				
Operating Fund	\$86,355.71	\$0.00	\$0.00	\$86,355.71
Replacement Fun (Notes 3&4)	45,015.78	0.00	0.00	45,015.78
Building Fund	<u>0.00</u>	<u>0.00</u>	<u>24,718.98</u>	<u>24,718.98</u>
Total Fund Balances	\$131,371.49	\$0.00	\$24,718.98	\$156,090.47
TOTAL LIABILITIES AND FUND BALANCES	<u>\$154,330.60</u>	<u>\$0.00</u>	<u>\$24,718.98</u>	<u>\$179,049.58</u>

RECEIVED JUL 23 1998

SUPERSTITION MOUNTAIN HOMEOWNERS' ASSOCIATION
 (An Arizona Non-Profit Homeowners' Association)
INCOME STATEMENT
AND CHANGES IN FUND BALANCES
 (Unaudited) (Note 7)
FOR YEAR ENDED DECEMBER 31, 1996

	EXPENDABLE FUND		RECREATION FUND	[NON-EXPENDABLE]	TOTAL
	GENERAL FUND			BUILDING FUND	
	[- Operating Fund -]	[-Replacement Fund-]			
SUPPORT AND REVENUE (Note 1)					
Assessments (Note 3)	\$251,654.84		\$0.00		\$251,654.84
Interest Income	854.89		0.00		854.89
Donations/Gifts	40.00		0.00		40.00
Activities	0.00		6,022.26		6,022.26
Miscellaneous Income	5,341.32		0.00		5,341.32
TOTAL SUPPORT AND REVENUE	\$257,891.05		\$6,022.26		\$263,913.31
 EXPENDITURES					
PROGRAM EXPENSES					
Payroll Expenses	\$45,351.38		\$4,001.40		\$49,352.78
Operating Expenses	60,050.47		3,174.63		63,225.10
TOTAL PROGRAM EXPENSES	\$105,401.85		\$7,176.03		\$112,577.88
SUPPORTING SERVICES					
Administrative	\$46,371.07		\$2,516.43	\$0.00	\$48,887.50
Depreciation	0.00		0.00	3,275.98	3,275.98
TOTAL SUPPORTING EXPENSES	\$46,371.07		\$2,516.43	\$3,275.98	\$52,163.48
TOTAL EXPENDITURES	\$151,772.92		\$9,692.46	\$3,275.98	\$164,741.36
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENDITURES	\$106,118.13		(\$3,670.20)	(\$3,275.98)	\$99,171.95
 BEGINNING FUND BALANCES	\$8,633.38	\$22,786.52	\$3,704.78	\$22,824.22	\$57,948.90
 TRANSFERS TO FUTURE REPAIRS AND REPLACEMENTS RESERVE (Note 4)	(20,400.00)	20,400.00			0.00
RESERVE FROM PRIOR OWNER		7,000.00			7,000.00
TRANSFERS TO RECREATION FUND	(4,001.40)		4,001.40		0.00
	(3,994.40)		(4,035.98)		(8,030.38)
TRANSFERS TO BUILDING FUND FOR ACQUISITIONS	0.00	(5,170.74)		5,170.74	0.00
ENDING FUND BALANCES	\$86,355.71	\$45,015.78	(\$0.00)	\$24,718.98	\$156,090.47

ANNUAL REPORT

SUPERSTITION MOUNTAIN HOMEOWNERS
ASSOCIATION

YEAR ENDING DECEMBER 31, 1997

RECEIVED JUL 23 1998

SUPERSTITION MOUNTAIN HOA

1997 FINANCIAL REPORT

BALANCE SHEET AS OF 12/31/97 (unaudited):

ASSETS:

Cash-

Checking	\$14,806.13
Reserve Savings	\$37,263.00
Operating Savings	\$22,631.23
Petty Cash	\$200.00
Total Cash	\$74,900.36

Accounts Receivable-

Accounts Rcvbl	\$2,089.23
Accts Rcvbl-LPG	\$75,354.22
Accts Rcvbl-Other	\$3,435.06
Total Accts. Receivable	\$80,878.51

Prepaid Expense	\$5,000.00
-----------------	------------

TOTAL ASSETS: \$160,778.87

LIABILITIES AND EQUITY:

Current Liabilities-

Accts Pay/Accrued Exp	\$6,484.34
Prepaid Assmnts	\$15,560.23
Other Liabilities	\$557.76
Total Liabilities	\$22,602.33

Equity-

Prior Year Ret Earnings	\$131,212.28
Curret Year Profit/Loss	\$6,964.26
Total Equity	\$138,176.54
Total Liab and Equity	\$160,778.87

SUPERSTITION MOUNTAIN HOA

1997 FINANCIAL REPORT

OPERATING STATEMENT AS OF 12/31/97 (unaudited):

INCOME

Assoc. Dues	\$222,010
Developer Dues	\$19,669
Late Charges	\$4,114
Donations	\$4,314
Interest Income	\$1,717
Other Income	\$7,948
Total Cash	\$259,772

EXPENSES

Salaries & Wages	\$43,049
Admin/General	\$79,415
Contract Services	\$12,399
Repairs and Maint	\$34,626
Parts and Supplies	\$10,420
Utilities	\$35,506
Taxes	\$387
Insurance	\$10,381
Total Accts. Receivable	\$226,183
Net Operating Income	\$33,589
1997 Reserve Funding	\$20,400
1997 Reserve Expenses	\$26,625

SUPERSTITION MOUNTAIN HOA

		BUDGET 1998		
INCOME				
Association Dues		240,300		
Other Income		<u>14,622</u>		
TOTAL INCOME		254,922		
EXPENSES				
Salaries and Wages			Parts and Supplies	
Payroll Expense	51,831		Cleaning Supplies	2,142
Payroll Taxes	<u>5,404</u>		Electrical Supplies	728
Total Salaries and Wages	57,235		Hardware	2,183
			Pool Parts/Supplies	<u>2,106</u>
Administrative/General			Total Parts and Supplies	7,159
Dues/Subscriptions	340		Utilities	
Legal Fees/Collections	377		Electr/Common Area	17,449
Legal Fees/Attorneys	40,000		Gas	7,767
Accounting Fees	5,600		Water	<u>11,202</u>
Office Supplies	6,311		Total Utilities	36,418
Permits/Licenses	110		Taxes	
Postage	1,391		Income Taxes	50
Telephone	<u>3,955</u>		Total Taxes	50
Total Administrative	58,084		Insurance	
Contract Services			Assoc Master Policy	6,611
Garbage Removable	2,655		Workers Compensation	1,248
Landscape Maintenance	368		Medical	<u>2,457</u>
Pest Control	846		Total Insurance	10,316
Pool Service	2,006			
Septic	2,500		TOTAL EXPENSES	189,060
Tree Trimming/Fertiz	2,478			
Weed Control	<u>1,200</u>		NET OPERATING INCOME	65,862
Total Contract Services	12,053		LPG Associates Dues	(18,156)
Repairs and Maintenance			Replacements/Reserves	47,706
Building Maintenance	3,554			
Equip Repairs/Car	948		NET INCOME/LOSS	0
Gate Repair	500			
Plumbing Repairs	1,834			
Pool Repairs	<u>909</u>			
Total Repairs/Maintenance	7,745			

9. FINANCIAL DISCLOSURE (A.R.S. §§10-1622.B & 10-2501.A.6) For Reports Due On or Before December 31, 1996.

All corporations except close corporations as defined by A.R.S. §10-1801 et seq., must file a financial disclosure statement. Refer to the instructions on page 4, section 9, for specific information regarding filing requirements.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-2505.A)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:

1. 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. 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 execution of this certificate?
3. 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 execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:

- (a) fraud or registration provisions of the securities laws of that jurisdiction, or
- (b) the consumer fraud laws of that jurisdiction, or
- (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked:

YES

NO

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

- | | |
|---|---|
| 1. Full name and prior names used. | 5. Date and location of birth. |
| 2. Full birth name. | 6. Social Security Number |
| 3. Present home address. | 7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case. |
| 4. Prior addresses (for immediate preceding 7 year period). | |

11. STATEMENT OF BANKRUPTCY (A.R.S. §10-202.D.2)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 20% of the issued and outstanding common shares or 20% of any other proprietary, beneficial or membership interest in the corporation served in such capacity or held a 20% interest in any other corporation during the bankruptcy, receivership, or charter revocation of the other corporation?

One box must be marked:

YES

NO

If YES, enter the following:

Chapter _____ Date Filed _____ Case Number _____

If "YES", the following information must be submitted as an attachment to this report for each person subject to the statement above. 1) The names and addresses of each corporation and the person or persons involved. 2) The state in which each corporation was a) incorporated b) transacted business. 3) The dates of corporate operation.

12. CAUTION: Signature requirements vary according to the type of corporation. See the instruction sheet for specific rules. Annual Reports submitted with incorrect signatures will be rejected.

I DECLARE, UNDER PENALTY OF LAW, THAT ALL CORPORATE INCOME TAX RETURNS REQUIRED BY TITLE 43 OF THE ARIZONA REVISED STATUTES HAVE BEEN FILED WITH THE ARIZONA DEPARTMENT OF REVENUE.

I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name Judith Bernstein Date 7/28/98 Name Irene Weiss Date 7/28/98

Signature Judith Bernstein Signature _____

Title Treasurer Title Vice President

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)