

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate.

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized.

Number of Shares/Certificates Authorized	Class	Series Within Class (if any)
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5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of shares issued.

Number of Shares/Certificates Issued	Class	Series Within Class (if any)
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6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

Name: _____ Name: _____

NONE

Name: _____ Name: _____

7. OFFICERS

Name: Chris Yarrington

Title: President

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2007

Name: Harmon Cadis

Title: Treasurer

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2008

Name: Robert (Bob) Merritt

Title: Secretary

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2009

Name: Tylor Hicks

Title: Vice President

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2009

8. DIRECTORS

Name: Chris Yarrington

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2007

Name: Open Seat

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2007

Name: Harmon Cadis

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2008

Name: Robert (Bob) Merritt

Address: C/O CITY PROPERTY MANAGEMENT,
PHOENIX, AZ 85040

Date taking office: 6/2006 - 6/2009

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate.

5a. Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**.

Number of Shares/Certificates Authorized	Class	Series Within Class (if any)
-------------------------------------------------	-------	------------------------------

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.

Number of Shares/Certificates Issued	Class	Series Within Class (if any)
---------------------------------------------	-------	------------------------------

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE

Name: _____ Name: _____

Name: _____ Name: _____

7. OFFICERS

Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____
Date taking office: _____	Date taking office: _____
Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____
Date taking office: _____	Date taking office: _____

8. DIRECTORS

Name: <u>Tylor Hicks</u>	Name: _____
Address: <u>C/O CITY PROPERTY MANAGEMENT,</u>	Address: _____
<u>PHOENIX, AZ 85040</u>	_____
Date taking office: <u>6/2006 - 6/2009</u>	Date taking office: _____
Name: _____	Name: _____
Address: _____	Address: _____
_____	_____
Date taking office: _____	Date taking office: _____

The Estates at Desert Shadows Community Association

Balance Sheet

As of 12/31/2006

ASSETS

CURRENT ASSETS

Operating - FNBAZ - 0.18%	\$	10,669.70
RSV - FNB - MM - 1.95%		8,208.22
RSV - FNB - NV - 1.35%		6,641.98
RSV - FNB - CC&R - 1.95%		8,310.16
RSV - FNB - W/C - 1.95%		11,470.55
RSV - FNB - CD 12/13/06 4.4%		91,190.10
RSV - FNBV - 12/11/06 4.4%		90,795.22
Assessment Receivable		901.00
Other Receivable		700.30
Interest Receivable		416.82
Prepaid Insurance 5/07		857.53

Subtotal CURRENT ASSETS	_____	\$ 230,161.58
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TOTAL ASSETS	_____	\$ 230,161.58
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LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	8,601.16
Accrued Income Tax		1,601.00
Prepaid Assessments		8,087.04

Subtotal CURRENT LIABILITIES	_____	\$ 18,289.20
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RESERVES

Reserve per RSV Study 6/06	\$	192,676.44
Working Capital		11,219.21
CC & R Compl - Administration		4,517.37
CC & R Compl - Legal		3,629.96
Interest Income / Reserves		4,575.90
Working Capital Interest		251.34
CC&R Compliance Interest		162.83

Subtotal RESERVES	_____	\$ 217,033.05
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EQUITY

Retained Earnings	\$	591.53
Current Year Net Income/(Loss)		(5,752.20)

Subtotal EQUITY	_____	\$ (5,160.67)
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TOTAL LIABILITIES & EQUITY	_____	\$ 230,161.58
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9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)

Nonprofit corporations **must attach** a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6)

Only Nonprofit Corporations must answer this question.

This corporation **DOES** **DOES NOT** have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or 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: **[Underlined portion pertains to business corporations only]**

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, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10-1623 & 10-11623)

A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box must be marked: YES NO

B) 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 other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

[Underlined portion pertains to business corporations only] One box must be marked: YES NO

If "YES" to A and/or B, 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. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

12. SIGNATURES: Annual Reports must be signed and dated by at least one duly authorized officer or they 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 Harman/Cadis Date 2/22/07 Name _____ Date _____
 Signature [Signature] Signature _____
 Title Treasurer Title _____

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