



AZ CORPORATION COMMISSION
FILED

AUG 30 2006

ARTICLES OF INCORPORATION

FILE NO. 12898235

OF

MOUNTAINGATE HOME OWNERS ASSOCIATION, INC.

In compliance with the requirements of Section 10-3101 et seq., Arizona Revised Statutes, as amended, the undersigned have this date voluntarily associated themselves together for the purpose of forming a nonprofit corporation and for that purpose hereby adopt these Articles of Incorporation.

ARTICLE I
NAME

The name of this Corporation is Mountaingate Home Owners Association, Inc. (the "Association").

ARTICLE II
DURATION

The duration of the Association shall be perpetual.

ARTICLE III
PRINCIPAL PLACE OF BUSINESS

The principal office for the transaction of business of the Association shall be located at P.O. Box 2506, Pinetop, AZ 85935.

ARTICLE IV
STATUTORY AGENT

The Association hereby appoints Jerry L. Cochran, 2999 N. 44th Street, Suite 600, Phoenix, AZ 85018, as its lawful statutory agent, upon whom all notices and processes, including service of summons, may be served, and which, when so served, shall be lawful, personal service upon the Association. The Directors may, at any time, appoint another agent for such purpose, and the filing of such other appointment shall revoke this or any other previous appointment of such agent.



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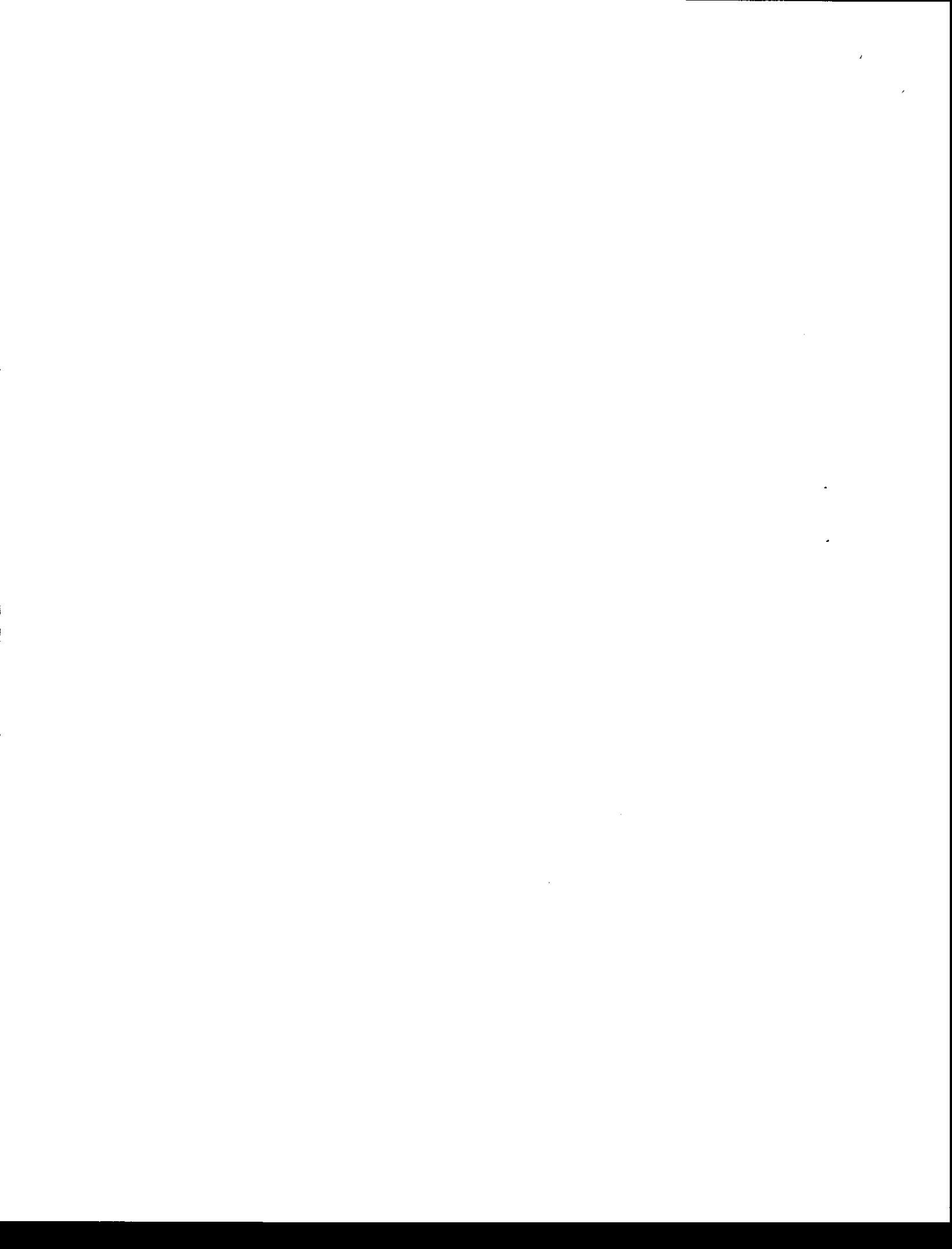
ARTICLE V
NONPROFIT ORGANIZATION

The Association is organized as a nonprofit organization under the laws of the State of Arizona.

ARTICLE VI
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate the distribution of gains, profits or dividends to its members. The primary purpose for which the Association is formed is to be and constitute the Unit owners association as provided in A.R.S. § 33-1241 to be Mountaingate Homes, A Condominium Project, provided for in that certain Condominium Declaration for Mountaingate Homes, A Condominium (the "Declaration") which shall be recorded in the Official Records of Navajo County, Arizona in order to provide for the acquisition, operation, administration, management, maintenance, repair, improvement, preservation and architectural control of the Common Areas (as defined in the Declaration) and of other portions of the Condominium (as defined in the Declaration), all as specifically provided for under the Declaration. In furtherance of this purpose, the Association shall have the power to:

1. Perform all of the duties and obligations of the Association as set forth in the Declaration;
2. Fix, levy, collect and enforce assessments and fines as set forth in the Declaration;
3. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Amenities and any other property or property rights owned by the Association;
4. Manage, control, operate, maintain, repair and improve the common areas or any other property subsequently acquired by the Association, or any property owned by another, for which the Association, by rule, regulation, declaration or contract, has a right or duty to provide such services;
5. Enforce covenants, conditions or restrictions affecting any property to the extent the Association is authorized to do so under the Declaration or under the Association's Bylaws (the "Bylaws");
6. Engage in activities which will actively foster, promote and enhance the common interests of all members of the Association;
7. Buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise



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encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest therein for any purpose of the Association;

8. Borrow money for any purpose as may be limited in the Bylaws;
9. Enter into, make, perform or enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation or other entity or agency, public or private;
10. Adopt, alter and amend or repeal the Bylaws as may be necessary or desirable for the property management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent or contrary to any provisions of the Declaration;
11. Dedicate, sell or transfer all or part of the Amenities (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association (such sale, transfer or dedication shall be subject to the restrictions and requirements under the applicable laws of Arizona); and
12. Have and exercise any and all other powers, rights and privileges and transact any lawful business which nonprofit corporations are permitted to have, exercise or transact under the laws of the State of Arizona, as they may be amended from time to time.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law and the powers specified in each paragraph of this Article VI are independent powers not to be restricted by reference to or interference from the terms of any other paragraph or provision of this Article VI.

ARTICLE VII MEMBERSHIP

The Association shall be a non-stock corporation and shall be owned by its members, who shall be collectively called the members of the Association, and no dividends or pecuniary profits shall be paid to the members. Membership in the Association, except for membership of the incorporators and the Board of Directors under Declarant control as defined in the Declaration, shall be limited to record owners of equitable title (or legal title if the equitable title has merged) of the Units located within the Condominium described in the Declaration, and any additions thereto as may hereafter be brought within the jurisdiction of the Association. An owner of a Unit within the Condominium (as defined in the Declaration) shall automatically, upon becoming the owner of a Unit, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall



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automatically cease. Nothing herein is intended to preclude as members of the Association persons or entities who hold an interest merely as security for the performance of an obligation. No certificates of membership shall be issued. Membership shall be evidenced by an official list of the members, which list shall be kept by the Secretary of the Association. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to the new record owners of equitable title (or legal title if equitable title has merged). Membership shall be appurtenant to and may not be separated from ownership of any Unit.

ARTICLE VIII VOTING RIGHTS

Each Unit Owner shall be a member and shall have one vote per Unit. In the event of multiple or joint ownership of a Unit, such Unit must be voted as one vote.

ARTICLE IX BOARD OF DIRECTORS

The business and affairs of the Association shall be conducted, managed and controlled by a Board of Directors (the "Board") and such officers and committees as the Board may elect and appoint. During the Period of Declarant Control (as defined in the Declaration), directors may be appointed and removed by the Declarant and need not be members of the Association. Upon termination of the Period of Declarant Control, the Unit Owners shall elect the Board of Directors. Declarant may voluntarily surrender the right to appoint and remove members of the Board of Directors before termination of the Period of Declarant Control pursuant to the Declaration.

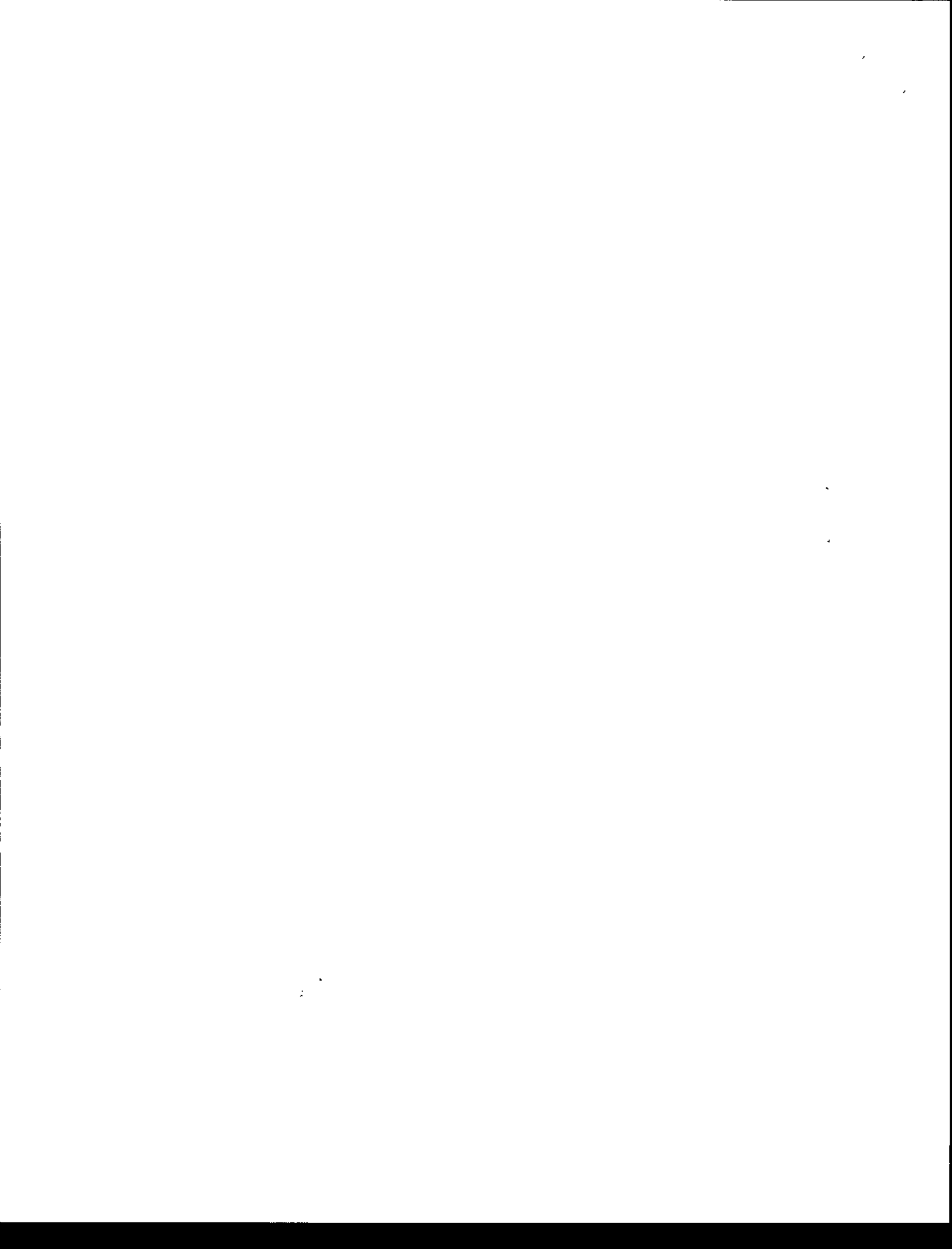
The Board shall consist of not less than three (3), the specific number to be set from time to time by the Board as provided in the Bylaws, provided that the number of directors must always be an odd number. During the Period of Declarant Control, the initial Board shall consist of one person whose name and address is as follows:

<u>Name</u>	<u>Address</u>
Gary LaFramboise	P.O. Box 1469 Litchfield Park, AZ 85340

The method of election and term of office, removal and filling of vacancies for the Board shall be as set forth in the Bylaws.

ARTICLE X INCORPORATORS

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



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Jerry L. Cochran
2999 North 44th Street, Suite 600
Phoenix, AZ 85018

ARTICLE XI
DISSO

LUTION

The Association may be dissolved only as provided in the Declaration, Bylaws and by the laws of the State of Arizona.

ARTICLE XII
AMENDMENTS

These Articles may be amended by the vote or written assent of members representing fifty-one percent (51%) of the total voting power of the Association; provided, however, that no amendment shall be in conflict with the Declaration, and provided, further, that no amendment shall be effective to impair or dilute any rights of members that are governed by the Declaration.

ARTICLE XIII
LIMITATION OF LIABILITY

Directors and officers of the Association shall not be liable to the Association or the members of the Association for any acts performed as a director or officer of the Association except for those acts or omissions set forth in A.R.S. § 10-1029A(8). Each Director and officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, except for those acts or omissions set forth in A.R.S. § 10-1029A(8).

IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 30th day of August, 2006.



Jerry L. Cochran

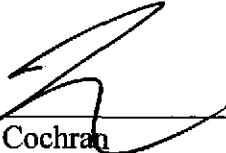


STATE OF ARIZONA
ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT
OF
MOUNTAINGATE HOME OWNERS ASSOCIATION, INC.

To: Arizona Corporation Commission
Incorporating Division
1300 West Washington
Phoenix, AZ 85007-2929

Please be advised that Jerry L. Cochran hereby accepts and acknowledges the appointment of Jerry L. Cochran as statutory agent for service of process upon Mountaingate Home Owners Association, Inc., an Arizona corporation, and consents to act in that capacity until removal or resignation.

DATED this 30th day of August, 2006.



Jerry L. Cochran



ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

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

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

NONPROFIT
CERTIFICATE OF DISCLOSURE

A.R.S. Section 10-3202.D. MOUNTAINGATE HOME OWNERS
ASSOCIATION, INC.

EXACT CORPORATE NAME

- A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:
1. 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. 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. 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?;
 - (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?

Yes _____ No X

B. IF YES, the following information MUST be attached:

- | | |
|---|--|
| 1. Full name and prior name(s) 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 either by election or appointment as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any other corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any 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. | 4. Dates of corporate operation. |
| 2. Full name, including alias and address of each person involved. | 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case. |
| 3. State(s) in which the corporation: <ol style="list-style-type: none"> (a) Was incorporated. (b) Has transacted business. | |

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

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY [Signature] DATE 8/30/06
TITLE Incorporator

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.



ARIZONA CORPORATION COMMISSION CORPORATIONS DIVISION SUBMISSION COVER SHEET

Important: **USE A SEPARATE COVER** sheet for each document.
Please Select AND Complete all the Appropriate Sections 1 through 10:
Regarding (Name/Proposed name for Corp/LLC):

1. Type In Name: MOUNTAIN GATE HOME OWNERS ASSOCIATION, INC.

2. Filing Type: (Select Only One)
- Articles of Domestication \$100.00
 - Articles of Incorporation (P)..... \$ 60.00
 - Articles of Incorporation (NP)..... \$ 40.00
 - Articles of Organization \$ 50.00
 - Application to Transact Business (B)..... \$175.00
 - Application to Conduct Affairs (NP)..... \$175.00
 - Application for New Authority..... \$175.00
 - Application for Registration \$150.00
 - Articles of Amendment \$ 25.00
 - Articles of Amendment & Restatement \$ 25.00
 - Articles of Correction..... \$ 25.00
 - Articles of Merger/Share Exchange \$100.00
 - Affidavit of Publication No Fee
 - Other: _____

4. Processing Type (Select One)
- Expedited (\$35.00) (Priority service, Additional Fee Per Document) Completed as soon as possible. View current processing times at www.cc.state.az.us/corp
 - Regular View current processing times at www.cc.state.az.us/corp

5. Select Payment type:
- Check Amt \$ 75.00 Check # 1113
 - Cash Amt _____
 - MOD Amt _____ MOD # _____
 - No fee required

3. Extras:
- Certified Copies () (Qty @ \$5 each for Corps)
 - Certified Copies () (Qty @ \$10 each for LLC's)
 - Good Standing Certificate () (Qty @ \$10 ea.)
 - Expedite Good Standing (\$35 extra)
 - Expedite Certified Copies (\$35 extra)

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CORPORATIONS DIVISION

See attached distribution of funds instructions

6. Total Payment Type: \$ _____

7. Other Special Instructions: PLEASE STAMP ONE COPY "RECEIVED" AND GIVE TO MESSENGER TO RETURN TO ME. THANKS

8. SELECT ONE RETURN DELIVERY OPTION :
- Mail Pick Up Fax # () _____

9. The following individual should be called to pick up completed documents:

Name/Service Co. _____ Phone: () _____

Pick-up by: _____ Date: _____
(FOR ACC USE ONLY. Do not fill in this box)

10. Please respond promptly to phone messages. Documents will be mailed if they are not picked up in a timely manner - approximately two weeks. In that event, the documents should be mailed to the following address:

Firm Name: COCHRAN LAW FIRM PC Attn: JUDY WALKER
Address: 2999 N. 44TH ST. SUITE 600
City, State, Zip: PHOENIX AZ 85018

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