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THE RECORD REPORTER

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RR# 1037028

ARTICLES OF INCORPORATION
OF
DESERT RANCH HOMEOWNERS
ASSOCIATION
an Arizona
nonprofit corporation

In compliance with the requirement of section 1-3101, et. seq., Arizona Revised Statutes, 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 Arizona nonprofit corporation. All of the undersigned incorporators certify and adopt the following Articles of Incorporation ("Articles"):

1. Name. The name of the corporation is DESERT RANCH HOMEOWNERS ASSOCIATION ("Association"). The association will exist perpetually.

2. Defined Terms. Terms in all capital letters used but not defined in these Articles will have the meaning specified for those terms in the Declaration of Covenants, Conditions, and Restrictions for DESERT RANCH HOMEOWNERS ASSOCIATION recorded in Docket 11577, page 436, as amended in Docket 11696, page 24, 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.

3. Purpose. 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 the 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 agents of the Association in the manner specified in the Bylaws. All business transacted by the Association 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 existence of the Association will commence on the date of the filing of these Articles with the Arizona Corporation Commission.

4. Principal Office. The principal office of the Association is located at 9222 E. Vista Drive, Scottsdale, Arizona 85262, Maricopa County.

5. Statutory Agent. Peter Godfrey, whose address is 9222 E. Vista Drive, Scottsdale, Arizona 85262 and who has been a bonafide resident of the State of Arizona for more than three (3) 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 the Board of Directors of the Association by the filing of an appointment of another Statutory Agent.

6. Membership.
6a. Identity of Members. The Association is non-stock corporation. No 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 MEMBER of the Corporation and will remain a MEMBER of the Corporation until the ownership ceases, for any reason, at which time the OWNER'S membership in the Corporation will cease automatically.

6b. Transfer of Membership. Membership in the Corporation is appurtenant to each LOT and a membership in the Corporation will not be transferred, pledged, or alienated in any way, except: (i) upon the sale of a LOT, and then only to the purchasers; (ii) by intestate succession or testamentary 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 Corporation.

6c. First Annual Meeting. The first annual meeting as the MEMBERS of the Corporation will be held on March 17, 2007, or at any other date designated by the Board of Directors. There is no cumulative voting on any matter related to the administration or organization of the Corporation or its matters.

7. Voting Rights. The Association will have one class of voting membership.

8. Board of Directors. The affairs of the Association will be conducted by a Board of Directors of the Association (sometimes individually or collectively called "Board," "Directors," "Director," or "Board of Directors") and any other officers and committees that the Board may elect and appoint. The Board of Directors will be elected by the MEMBERS and Board of Directors elections may be conducted by mail or any other method permitted in the Bylaws or under Arizona law. All Directors must be MEMBERS of the Association. The Board may increase the number of Directors on the Board; however, the number of Directors must always be an odd number and may not exceed seven (7) Directors. The number of Directors constituting 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

AFFIDAVIT OF PUBLICATION

Reference #:

Notice Type: AI - ARTICLES OF INCORPORATION

Ad Description: 1316632-3 DESERT RANCH HOMEOWNERS ASSOCIATION

I, ANNETTE ACOSTA, am authorized by the publisher as agent to make this affidavit. Under oath, I state that the following is true and correct.

THE RECORD REPORTER is a newspaper of general circulation published Monday, Wednesday and Friday except legal holidays, in the County of Maricopa, State of Arizona. The copy hereto attached is a true copy of the advertisement as will be/has been published on the following dates:

10/25/2006, 10/27/2006, 10/30/2006

Subscribed and sworn to before me on the 30TH day of OCTOBER, 2006

RECEIVED

OCT 30 2006

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

13166 32-3

Directors that may be added from time to time to the Board (i.e., in addition to the initial three (3) and up to seven (7) members) will serve one (1) year terms or such other terms that may be provided in the bylaws. The names and addresses of the initial Board of Directors of the Association are as follows:

Peter Godfrey
(3 years term)
9222 E. Vista Drive
Scottsdale, Arizona 85262
James Campbell
(2 year term)
9303 E. Vista Drive
Scottsdale, Arizona 85262
Monte Matz
(1 year term)
9244 E. Vista Drive
Scottsdale, Arizona 85262

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

8a. Bylaws. The Board is expressly authorized to adopt bylaws for the Corporation ("Bylaws"), by a majority vote of the Board or the members at a regular or special meeting.

9. Dissolution. The Association may be dissolved with the affirmative written approval of two-thirds (2/3) or more of the total number of eligible votes of each class of MEMBERS in the Association.

10. Amendments. Any amendment of these Articles will require the affirmative approval of fifty percent (50%) or more of the total number of eligible votes of each class of MEMBERS in the Association.

11. Incorporators. The name(s) and address(es) of the incorporator(s) of the Association are:

Peter Godfrey
9222 E Vista Drive
Scottsdale Arizona 85262
James Campbell
9303 E. Vista Drive
Scottsdale, Arizona 85262
Monte Matz
9244 E. Vista Drive
Scottsdale, Arizona 85262

12. Director Liability. The personal liability of any Director of the Corporation to the Corporation for monetary damages for breach of duties as a Director, is hereby eliminated to the fullest extent allowed by the Nonprofit Corporation Act of the State of Arizona, as it may be amended from time to time.

For the purpose of forming this nonprofit corporation under the laws of the State of Arizona, the undersigned, constituting all of the incorporators of the Association, have executed these Articles of Incorporation as of 9/22/06.

/s/Peter Godfrey
Incorporator
/s/James Campbell
Incorporator
/s/Monte Matz
Incorporator

10/25, 10/27, 10/30/06

RR-1037028#