

AZ CORP COMMISSION  
OF THE STATE OF AZ  
FILED

2002 NOV -6 P 1:36

APFR \_\_\_\_\_  
DATE APFR \_\_\_\_\_  
TERM Perpetual  
DATE 11-13-02

ARTICLES OF INCORPORATION


OF

THE AMERICAN RANCH COMMUNITY ASSOCIATION

In compliance with the requirements of §10-3201, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

ARTICLE 1

NAME

The name of the corporation is The American Ranch Community Association. 

ARTICLE 2

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for The American Ranch recorded in Book 3973, page 372, Official Records of Yavapai County Recorder, Yavapai County, Arizona, as such Declaration may be amended from time to time.

ARTICLE 3

KNOWN PLACE OF BUSINESS

The known place of business of the Association shall be located at 110 East Gurley Street, Suite 200, Prescott, Arizona, 86301.

ARTICLE 4

STATUTORY AGENT

Gregory W. Huber, whose address is 110 E. Gurley Street, Suite 100, Prescott, AZ 86301, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated as the initial statutory agent for the corporation.

THE HOAMCO COMPANIES + HOAMCO 006/013

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**ARTICLE 5**

**PURPOSE OF THE ASSOCIATION**

The object and purpose for which this Association is organized is to provide for the management, maintenance, and care of the Areas of Association Responsibility and other property owned by the Association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the Association by the Project Documents. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

**ARTICLE 6**

**CHARACTER OF BUSINESS**

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Areas of Association Responsibility and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents.

**ARTICLE 7**

**MEMBERSHIP AND VOTING RIGHTS**

The Members of the Association shall be the Owners of Lots. All Owners of Lots shall be mandatory Members of the Association, and no Member shall have the right to resign as a Member of the Association. By acquiring fee title to or otherwise becoming the Owner of a Lot, a Person consents to becoming a Member of the Association. As provided in the Declaration, there initially will be two classes of Membership in the Association. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents. The provisions of the Declaration pertaining to classes of Membership and the voting rights of the Members are incorporated in these Articles of Incorporation by reference.

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who shall serve until their successors are elected and qualify are as follows:

<u>Name</u>	<u>Mailing Address</u>
Jeffrey A. Davis	110 E. Gurley Street, Prescott, AZ 86301
Beth Caldwell	110 E. Gurley Street, Prescott, AZ 86301
Judith Brummett-Bowie	110 E. Gurley Street, Prescott, AZ 86301

The Board shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws (i) prior to the Transition Date, and (ii) in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association.

**ARTICLE 9**

**OFFICERS**

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until their successors have been elected and qualify:

- |                       |   |                     |
|-----------------------|---|---------------------|
| Jeffrey A. Davis      | - | President           |
| Beth Caldwell         | - | Vice President      |
| Judith Brummett-Bowie | - | Secretary/Treasurer |

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**ARTICLE 6****CHARACTER OF BUSINESS**

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Areas of Association Responsibility and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents.

**ARTICLE 7****MEMBERSHIP AND VOTING RIGHTS**

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**ARTICLE 10****LIMITATION ON LIABILITY OF DIRECTORS**

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time. Any repeal or modification of this Article 10 shall be prospective only and shall not adversely affect the personal liability of a director or prior director for any act or omission occurring prior to the effective date of such repeal or modification.

**ARTICLE 11****INDEMNIFICATION**

The Association shall indemnify any Person made a party to any civil suit or criminal, administrative or investigative action, other than an action by or in the right of the Association, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, if he acted, or failed to act, in good faith and he reasonably believed (j) in the case of conduct in an official capacity with the Association, that the conduct was in its best interests, (ii) in all other cases, that the conduct was at least not opposed to its best interests and (iii) in the case of any criminal action or proceeding, that he had no reasonable cause to believe the conduct was unlawful. Any indemnification of the Members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the provisions of the Arizona Revised Statutes pertaining to nonprofit corporations. Any repeal or modification of this Article 11 shall be prospective only and shall not adversely affect, defeat or limit the right of any Person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

**ARTICLE 12****AMENDMENTS**

These Articles may be amended by Members who own not less than seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Board, without a vote of Members, may amend these Articles (i) prior to the Transition Date, and (ii) in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Lot or

any other property within the Project, any amendment to these Articles must be approved in writing by the Declarant.

#### ARTICLE 13

##### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the authorized votes in each class of membership. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose. So long as the Declarant owns any Lot or any other property within the Project, any dissolution of the Association must be approved in writing by the Declarant.

#### ARTICLE 14

##### DURATION

The corporation shall exist perpetually.

#### ARTICLE 15

##### ASSESSMENTS AND FEES

Each Member shall be obligated to pay Assessments and other fees and charges to the Association in accordance with the Project Documents.

ARTICLE 16

INCORPORATOR

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

<u>Name</u>	<u>Address</u>
ARVentures L.L.C.	110 E. Gurley Street Suite 200 Prescott, AZ 86301

Dated this 4 day of November, 2002.

ARVentures L.L.C.  
an Arizona limited liability company

By: M3 Builders, L.L.C. an Arizona  
limited liability company

By: The M3 Companies, L.L.C., an  
Arizona limited liability company


By:   
William I. Brownlee

By:   
Jeffrey A. Davis

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent for this corporation, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 4 day of November, 2002.

  
Gregory W. Huber

**WILLIAM A. MUNDELL**  
CHAIRMAN

**JIM IRVIN**  
COMMISSIONER

**MARC SPITZER**  
COMMISSIONER



**ARIZONA CORPORATION COMMISSION**

**BRYAN C. MCHIEL**  
EXECUTIVE SECRETARY

**JOANNE C. MACDONNELL**  
DIRECTOR, CORPORATIONS DIVISION

**BETH CALDWELL**  
110 E GURLEY ST  
PRESCOTT, AZ 86301

**RE: THE AMERICAN RANCH COMMUNITY ASSOCIATION**  
File Number: -1054663-4

We are pleased to notify you that your Articles of Incorporation were filed on November 19, 2002.

You must publish a copy of your Articles of Incorporation. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona (as filed with the Commission) for three (3) consecutive publications. A list of newspapers is available on the Commission web site. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing within NINETY (90) DAYS from the File Date. Make sure the newspaper published the corporation documents using the exact name filed with the Commission.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report form will be mailed to the corporation's known place of business approximately two months prior to the due date of the report. Should the report fail to arrive, contact the Commission. It is imperative that corporations notify the Commission immediately (in writing) if they change their corporate address, statutory agent or agent address. Address change orders must be executed (signed) by a corporate officer. Postal forwarding orders are not sufficient.

The Commission strongly recommends that you periodically check Commission records regarding the corporation. The Commission web site [www.cc.state.az.us/corp](http://www.cc.state.az.us/corp) contains information specific to each corporation of record and is a good general source of information.

If you have any questions or need further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,  
**GUADALUPE ORTIZ**  
Examiner  
Corporations Division

CF:04, Rev:10/2001



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.

The American Ranch Community Association  
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? No
  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? No
  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? No
    - (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.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
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.

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 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.
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, receivership or charter revocation, including the date, court or agency and the file or cause number of the case.

D. The fiscal year end adopted by the corporation is January 1 to December 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 11/4/02  
TITLE President - ARVentures, LLC

BY Both Caldwell DATE 11/4/02  
TITLE Vice President

BY [Signature] DATE 11/4/02  
TITLE Secretary/Treasurer

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.

DEC-03-2002 10:38

P.03

**AZ CORP. COMMISSION  
FILED**

NOV 19 2002

APPR	<i>[Signature]</i>
TERM	
DATE	11/19/02

- 1054663-4

THE AMERICAN RANCH COMMUNITY ASSOCIATION

**NEWSPAPERS ACCEPTABLE FOR PUBLISHING  
CORPORATE & LIMITED LIABILITY COMPANY FILINGS\***  
\*Qualifying newspapers must comply with A.R.S. §§ 10-140.34 & 39-201, A and B  
 November 6, 2002

**APACHE (A)**

NAVAJO TIMES  
WINDOW ROCK, AZ 86315  
928-871-6641

APACHE COUNTY REPORTER  
EAGAR, AZ 85925  
928-333-2033  
1-800-648-3921

WHITE MOUNTAIN INDEPENDENT  
(APACHE EDITION)  
SPRINGVILLE, AZ 85938  
928-333-4139  
ST. JOHNS, AZ 85936  
928-337-4692

**COCHISE (C)**

SAN PEDRO VALLEY NEWS-SUN  
BENSON, AZ 85602-6407  
520-586-3382

ARIZONA RANGE NEWS  
WILCOX, AZ 85543  
520-384-3571

THE SCOUT (HUACHUCA) STAR  
SIERRA VISTA, AZ 85603  
520-458-3240

- The Scout
1. The Paper
  2. The Scout
  3. The Desert Airwave
  4. The Bisbee Spirit
  5. Tele Viewing
- (All the above are affiliated with the Scout)

THE DAILY DISPATCH  
DOUGLAS, AZ 85607  
520-364-3424

THE BISBEE OBSERVER  
BISBEE, AZ 85603  
520-432-7254

FIVE STAR PUBLISHING  
MOUNTAIN VIEW NEWS  
SIERRA VISTA, AZ 85635  
520-458-3340

BREWERY GULCH GAZETTE  
BISBEE, AZ 85603  
520-432-2244

SIERRA VISTA DAILY HERALD  
BISBEE DAILY REVIEW  
SIERRA VISTA, AZ 85635  
520-458-3440

THE SUNSITER  
PEARCE, AZ 85625  
520-826-3122

TOMBSTONE TUMBLEWEED  
TOMBSTONE, AZ 85638  
520-457-3008

**COCONINO (C)**

SEDONA RED ROCK NEWS  
SEDONA, AZ 86336  
928-282-7795

THE ARIZONA DAILY SUN  
FLAGSTAFF, AZ 86002  
928-282-3206

NAVAJO HOYT OBSERVER  
FLAGSTAFF, AZ 86001  
928-226-9696

LAKE POWELL CHRONICLE  
PAGE, AZ 86040  
928-645-8888

WILLIAMS-GRAND CANYON NEWS  
WILLIAMS, AZ 86046  
928-635-4426

SOUTHERN UTAH NEWS  
KANAB, UTAH 84741  
435-644-2900

**GILA (A)**

THE PAYSON ROUNDUP &  
ADVISOR  
PAYSON, AZ  
928-474-5251

ARIZONA SILVER BELT  
GLOBE, AZ 85301  
928-425-7121

THE MOCCASIN  
SAN CARLOS, AZ 85350  
928-425-2267

**GRAHAM (S)**

EASTERN ARIZONA COURIER  
SAFFORD, AZ 85348  
928-428-2560

ARIZONA (TUCSON) DAILY STAR  
TUCSON, AZ 85725  
520-573-4224

WILD WEST NEWS  
SOLOMON, AZ 85331  
928-428-0098

**GREENLEE (G)**

THE COPPER ERA  
CLIFTON, AZ 85533  
928-885-4237

EASTERN ARIZONA COURIER  
SAFFORD, AZ 85546  
928-428-2560

**MARICOPA (M)**

ARIZONA BUSINESS GAZETTE  
PHOENIX, AZ 85001  
602-444-7315

ARIZONA CAPITOL TIMES  
PHOENIX, AZ 85007  
602-258-7026

PEORIA TIMES  
GLENDALE, AZ 85301  
623-862-6000

JEWISH NEWS  
PHOENIX, AZ 85020  
602-870-9470

GLENDALE STAR  
GLENDALE, AZ 85301  
623-842-6000

WICKENBURG SUN  
WICKENBURG, AZ 85258  
928-684-5454

WEST VALLEY BUSINESS  
LITCHFIELD PARK, AZ 85340  
623-535-8439

DAILY NEWS SUN  
SUN CITY, AZ 85351  
623-977-8351

THE TRIBUNE  
MESA, AZ 85210  
480-898-6126

GILA BEND SUN  
GILA BEND, AZ 85337  
520-683-2393  
623-386-7493(Phoenix)

RECORD REPORTER  
PHOENIX, AZ 85004  
602-417-9900

ARIZONA INFORMANT  
PHOENIX, AZ 85034  
602-257-9300

## Attention Corporate Officers

If you have the responsibility of collecting, accounting for, and paying over payroll taxes withheld from the wages and salaries of corporate employees, read on.

A principal benefit of incorporation is limiting an owner's liability to the amount of his/her capital investment. This limited liability may not apply in all circumstances.

Section 6672 of the Internal Revenue Code states that the liability for taxes withheld from the wages and salaries of corporate employees may be assessed against the corporate officer(s) or employee(s) found to be responsible for their collection and payment. The personal liability of the responsible officer or employee is not limited to the amount of capital investment.

There are other civil and criminal penalties in the law regarding filing, paying, depositing of employment taxes.

*If you would like more information regarding this or any other federal tax issue, contact your local Internal Revenue Service office or call toll-free,*

1-800-829-1040.