

EXPEDITED
AZ CORP COMMISSION
FILED

FEB 25 4 04 PM '97

APPR Christine Grogan-Rosale
DATE APR 23
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0800906-4

ARTICLES OF INCORPORATION
OF
VERDE SANTA FE COMMUNITY ASSOCIATION

In compliance with the requirements of § 10-2301, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

1. Name. The name of the corporation is Verde Santa Fe Community Association.

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, Restrictions and Easements for Verde Santa Fe recorded on February 20, 1997 in Book 3360, pages 858 through 940, inclusive, records of Yavapai County, Arizona, as amended from time to time.

3. Statutory Agent. Philip V. Petersen, 3101 North Central Avenue, Suite 550, Phoenix, Arizona, 85012, 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.

4. 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 Common Areas 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 Constituent Documents. In furtherance of, and in order to accomplish the foregoing objects and purposes, 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.

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

6. Membership and Voting Rights. Membership in the Association shall be limited to Owners of Lots. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Constituent Documents.

7. Board of Directors. 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 the first annual meeting of the members or until their successors are elected and qualified are as follows:

Philip V. Petersen
3101 North Central Avenue, Suite 550
Phoenix, Arizona 85012

Bob Hibbard
895 West Elwood Street
Phoenix, Arizona 85041

Cecil Ross
895 West Elwood Street
Phoenix, Arizona 85041

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 Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of the Members, may amend the Bylaws 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 Constituent Documents is required by law or requested by the Declarant or the Association.

8. 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 Section 10-2342A.8. of the Arizona Revised Statutes, as it may be amended from time to time.

9. Amendments. These Articles may be amended by Members representing at least two-thirds (2/3) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of the Members, may amend these Articles 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 is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Lot, any amendment to these Articles must be approved in writing by the Declarant.

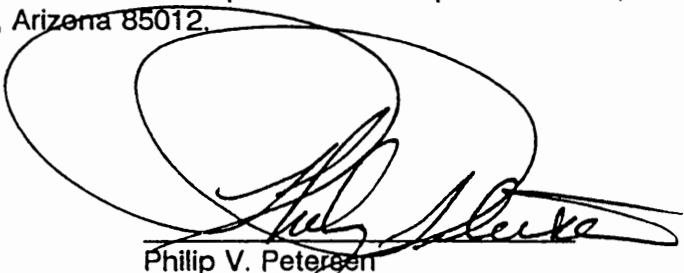
10. Dissolution. The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the authorized votes in each class of membership. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of 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.

11. VA/FHA Approval. As long as there is a Class B membership in the Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers or consolidations, mortgaging of Common Areas, dedication of Common Areas, undertaking self-management of the Association, dissolution and amendment of these Articles of Incorporation.

12. Incorporator. The name and address of the incorporator is: Philip V. Petersen, 3101 North Central Avenue, Suite 550, Phoenix, Arizona 85012.

Dated this 25th day of February, 1997.

A large, stylized handwritten signature in black ink, appearing to read 'Philip V. Petersen', is written over a large, hand-drawn oval. The signature is fluid and cursive.

Philip V. Petersen

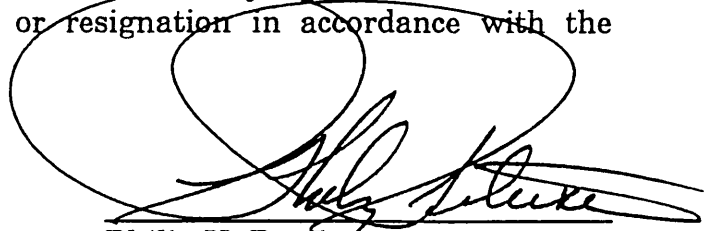
PHILIP V. PETERSEN
3101 North Central Avenue
Phoenix, Arizona 85012

February 21, 1997

Verde Santa Fe Community Association

Gentlemen:

Having been designated to act as ~~Statutory Agent~~, I consent to act in that capacity until removal or resignation in accordance with the Arizona Revised Statutes.

A handwritten signature in black ink, appearing to read 'Philip V. Petersen', is written over a large, hand-drawn oval scribble.

Philip V. Petersen

Arizona Corporation Commission
Incorporating Division
1300 West Washington
Phoenix, Arizona 85012