

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.

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 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 (i) 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 L. 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

DEC-03-2002 10:37

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WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER



BRIAN C. MCNEIL
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL
DIRECTOR, CORPORATIONS DIVISION

ARIZONA CORPORATION COMMISSION

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 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:06, Rev:10/2001

DEC-03-2002 10:37

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 Associate
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 a trust 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: No
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
 - (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, Inc.

BY Beth 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.

CF: 0001 - Non-Profit

Rev: 9/00

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**AZ CORP. COMMISSION
FILED**

NOV 19 2002

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

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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 CO

NAVAJO TIMES
WINDOW ROCK, AZ 86315
928-871-5641

APACHE COUNTY REPORTER
EAGAR, AZ 85923
928-333-2033
1-800-644-3921

WHITE MOUNTAIN INDEPENDENT
(APACHE EDITION)
SPRINGVILLE, AZ 85938
928-333-4139
ST. JOHNS, AZ 85936
928-337-4662

COCHISE CO

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

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

THE SCOUT (HUACHUCHA) 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 85633
520-458-3340

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

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

THE SUNSITER
FEARCE, AZ 85625
520-826-3122

TOMBSTONE TUMBLEWEED
TOMBSTONE, AZ 85638
520-457-3008

COCONINO CO

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

THE ARIZONA DAILY SUN
FLAGSTAFF, AZ 86002
928-232-3206

NAVAJO HOVI 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 CO

THE PAYSON ROUNDUP &
ADVISOR
PAYSON, AZ
928-474-3251

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

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

GRAHAM CO

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

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

WILD WEST NEWS
SOLOMON, AZ 85551
928-428-0098

GREENLEE CO

THE COPPER ERA
CLIFTON, AZ 85513
928-565-4237

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

MARICOPA CO

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

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

PEORIA TIMES
GLENDALE, AZ 85301
623-842-4000

JEWISH NEWS
PHOENIX, AZ 85020
602-870-9470

GLENDALE STAR
GLENDALE, AZ 85301
623-841-6000

WICKENBURG SUN
WICKENBURG, AZ 85238
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
480-898-6826

GILA BEND SUN
GILA BEND, AZ 85337
520-663-2393
623-386-7495(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.