

STATE OF ARIZONA
ACC/FAX
DATE FILED

OCT 09 2002

ARTICLES OF INCORPORATION
OF

VERRADO COMMUNITY ASSOCIATION, INC.

DATE APPR 10/3/2002
TERM
BY Lonnie D. Biskind
1049049-3

1. Name: The name of the corporation shall be VERRADO COMMUNITY ASSOCIATION, INC. (the "Association").
KOR

2. Purpose: The Association is organized and shall be operated as a non-profit corporation for the purposes set forth for the "Association" in the Community Charter for Verrado, recorded on September 30, 2002, as Document No. 2002-1008906 in the official records of the Maricopa County, Arizona Recorder, as amended from time to time (the "Charter") and in such By-Laws of the Association that may be adopted by the Board, as amended from time to time (the "By-Laws") and the for conducting any or all lawful affairs for which corporations may be incorporated under Title 10, Chapter 24 through Chapter 40, Arizona Revised Statutes. Except as otherwise specifically provided herein, initially capitalized terms shall have the meanings given them in the Charter.

3. Initial Affairs: As its initial affairs, the Association intends to perform all matters to be performed by the Association pursuant to the Charter.

4. Board of Directors: The initial board of directors (the "Board") shall consist of three members, subject to increase as may be provided for in the By-Laws. The initial directors and their addresses are:

| <u>Name</u> | <u>Mailing Address</u> |
|--------------|---|
| Ray Leppien | 7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258 |
| David Nilsen | 7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258 |
| Eric Carlson | 7600 E. Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258 |

5. Statutory Agent: The name and address of the Association's statutory agent for service of process is:

Neil D. Biskind, P.C.
Biskind, Hunt & Taylor, P.L.C.
11201 North Tatum Blvd., Suite 330
Phoenix, Arizona 85028
Attn: Neil D. Biskind, Esq.

THE RECORD REPORTER

~ SINCE 1914 ~

1505 N. Central Avenue, Suite 200, Phoenix, Arizona 85004-1725
Telephone (602) 417-9900 / Fax (602) 417-9910

NEIL D. BISKIND
BISKIND HUNT & TAYLOR
11201 N TATUM BLVD #330
PHOENIX, AZ 85028

COPY OF NOTICE

(Not an Affidavit of Publication. Do not file.)

Reference #:
Notice Type: AI Articles of Incorporation
Ad Description: VERRADO COMMUNITY ASSOCIATION, INC.

To the right is a copy of the notice you sent to us for publication in THE RECORD REPORTER. Thank you for using our newspaper. Please read this notice carefully and fax us with any corrections. If required, the Affidavit of Publication be filed with the Arizona Corporation Commission, Probate Court or Domestic Relations Court, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/28/02, 10/30/02, 11/01/02

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

| | |
|-------------------|-----------|
| Publication | \$ 211.26 |
| Arizona Sales Tax | \$ 1.06 |
| NetTotal | \$ 212.32 |

OCT 24 2002

RR#: 457098

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Source for Maricopa County

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5. **Statutory Agent:** The name and address of the Association's statutory agent for service of process is: Neil D. Biskind, P.C., Biskind, Hunt & Taylor, P.L.C., 11201 North Tatum Blvd., Suite 330, Phoenix, Arizona 85028, Attn: Neil D. Biskind, Esq.
6. **Place of Business:** The address of

the Association is: 7600 East Doubletree Ranch Road, Suite 300, Scottsdale, Arizona 85258

7. **Incorporator:** The name and address of the incorporator of the Association is: John Bradley, 7600 East Doubletree Ranch Road, Suite 300, Scottsdale, Arizona 85258

8. **Members:** The Association will have two classes of members, Owner Membership and Founder Membership, as more fully set forth in the Charter, these Articles and the By-Laws.

9. **Amendments:** These Articles of Incorporation may be amended and/or restated by an affirmative vote of the majority of the full Board at a regular or special meeting called for that purpose, after written notice setting forth the proposed amendment or a summary of the changes to be effected to each director at least ten (10) days prior to such meeting; provided, however, that prior to termination of the Founder Control Period, the Founder must also approve in writing any amendment to these Articles of Incorporation.

10. **Indemnification:** The Association shall indemnify each person identified in A.R.S. §10-3851, or its corresponding or successor provision, to the fullest extent permissible: (a) under the provisions of A.R.S. §10-3852 or its corresponding or successor provision; (b) under indemnification provisions of successor or amended statutes; (c) as provided in the Charter or the By-Laws; or (d) by any agreement adopted pursuant to the provisions of A.R.S. §10-3852 or its corresponding or successor provision.

11. **Director Liability:** A Director of the Association shall not be personally liable to the Association for monetary damages for breach of fiduciary duty as a director. If the Arizona Revised Statutes are amended to authorize further elimination or limitation of the liability of a director, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes as so amended. Any repeal or modification of this article shall not increase the liability of a director of the Association arising out of acts or omissions occurring before such repeal or modification becomes effective.

12. **Payments and Distributions:** No part of the net earnings of the Association shall inure to the benefit of or be distributable to any director or officer of the Association, or to any private individual, except the Association shall be authorized and empowered to pay reasonable compensation for services and make payments and distributions in furtherance of its purposes. Upon dissolution of the Association, the assets of the Association, whether real or personal, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as close as possible to those to which they were required to be devoted by the Association. If such dedication is not accepted, such assets shall be transferred to a nonprofit corporation, trust or other organization to be devoted to purposes as close as possible to those to which they were required to be devoted by the Association. Use of funds for acquisition, construction, management or maintenance of Association property shall not constitute an inurement of net earnings.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 3rd day of October, 2002.

/s/ JOHN BRADLEY, Incorporator
10/28/02, 10/30/02, 11/01/02
RR- 457098#

WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL
DIRECTOR, CORPORATIONS DIVISION

BISKIND, HUNT & TAYLOR, P.L.C.
11201 N TATUM BLVD STE 330
PHOENIX, AZ 85028

RE: VERRADO COMMUNITY ASSOCIATION, INC.
File Number: -1049049-3

We are pleased to notify you that your Articles of Incorporation were filed on October 3, 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,
SONIA GREER
Examiner
Corporations Division

CF:04, Rev:10/2001

LAW OFFICES

BISKIND, HUNT & TAYLOR, P.L.C.

FACSIMILE COVER SHEET

| | | |
|----------------------------|------------------|-------------------------|
| TO: RECEIVING PARTY | FIRM NAME | FACSIMILE NUMBER |
| Expediting Division | ACC | (602) 542-4100 |

| | |
|-------------------------------------|----------------------------|
| FROM: Barbara L. Bolin, Esq. | TIME: 4:05 PM |
| DATE: October 3, 2002 | FILE: VERRADO / GOV |

COMMENTS:
Verrado Community Association

RECEIVED
 OCT 03 2002

Number of pages, including this cover page: 11

ARIZONA CORP. COMMISSION
 CORPORATIONS DIVISION

Please call (602) 955-1822 to report transmission failure.

Original will not follow.

Original will follow by regular mail, overnight mail, messenger.

Unless otherwise indicated or obvious from the nature of the transmittal, the information contained in this facsimile message is attorney privileged and confidential information intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error or are not sure whether it is privileged, please immediately notify us by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

955-2272

(04) 40.00
 (34) 35.00
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CORPORATIONS DIVISION
EXPEDITED FILINGS SECTION
1300 WEST WASHINGTON
PHOENIX, Arizona 85007-2929

User Id: SONIAG
Invoice No.: 1343545

Check Batch:
Invoice Date: 10/17/2002
Date Received: 10/17/2002
Customer No.: 001454

ATTN: NEIL D BISKIND
NEIL D BISKIND, PC
11201 N TATUM BLVD #330

PHOENIX AZ 85028-

| Quantity | Description | Amount |
|--------------------------|--|----------|
| 1 | ARTICLES | \$40.00 |
| | -1049049-3 VERRADO COMMUNITY ASSOCIATION, INC. | |
| 1 | EXPEDITE | \$35.00 |
| | -1049049-3 VERRADO COMMUNITY ASSOCIATION, INC. | |
| Total Documents: \$ | | 75.00 |
| PAYMENT MOD | | \$75.00 |
| Balance Due: \$ | | 0.00 |
| Your Customer Balance is | | \$129.00 |

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.

**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
May 16, 2002

APACHE (1)

NAVAJO TIMES
WINDOW ROCK, AZ 86515
928-871-6641

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

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

COCHISE (2)

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

ARIZONA RANGE NEWS
WILLCOX, AZ 85643
520-384-3571

THE SCOUT (HUACHUCHA) STAR
SIERRA VISTA, AZ 85603
520-458-3340

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
520-458-9440

THE SUNSITER
PEARCE, AZ 85625
520-826-3122

TOMBSTONE TUMBLEWEED
TOMBSTONE, AZ 85638
520-457-3008

COCONINO (3)

SEDONA RED ROCK NEWS
SEDONA, AZ 86336
928-282-7507

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

NAVAJO HOPI 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 (4)

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

ARIZONA SILVER BELT
GLOBE, AZ 85501
928-425-7121

THE MOCCASIN
SAN CARLOS, AZ 85550
928-425-2287

GRAHAM (5)

EASTERN ARIZONA COURIER
SAFFORD, AZ 85548
928-428-2560

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

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

GREENLEE (6)

THE COPPER ERA
CLIFTON, AZ 85533
928-865-4237

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

MARICOPA (7)

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

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

PEORIA TIMES
GLENDALE, AZ 85301
623-842-6000

JEWISH NEWS
PHOENIX, AZ 85020
602-870-9470

GLENDALE STAR
GLENDALE, AZ 85301
623-842-6000

WICKENBURG SUN
WICKENBURG, AZ 85258
520-684-5454

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
520-683-2393
623-386-7495(Phoenix)

RECORD REPORTER
PHOENIX, AZ 85004
602-417-9900

ARIZONA INFORMANT
PHOENIX, AZ 85034
602-257-9300