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David L. Smith
8-26-79

ARTICLES OF INCORPORATION
OF
ESCAPEES AT NORTH RANCH COMMON AREA MAINTENANCE
ASSOCIATION, INC.

0885467-7

In compliance with the requirements of the statutes of the State of Arizona, as required in A.R.S. Section 10-1002, et seq., pertaining to nonprofit corporations, the undersigned incorporators affirm or swear that they (1) are residents of the State of Arizona; (2) are of legal age; (3) this day voluntarily formed a corporation not for profit; and (4) do further certify that:

ARTICLE ONE
NAME

The name of this Corporation is *Escapees At North Ranch Common Area Maintenance Association, Inc.* (the "Association").

ARTICLE TWO
LOCATION

The principal office of the Association is located at P.O. Box 556, Congress, Arizona 85332 (Physical Address: Highway 89, Congress AZ 85332).

ARTICLE THREE
STATUTORY AGENT

James B. Musgrove, Esq. whose address is 1135 Iron Springs Rd., Prescott, Arizona 86305 is hereby appointed to serve as the initial statutory agent of this Association.

ARTICLE FOUR
PURPOSE

Whether or not specifically granted by these Articles, the Association may exercise all powers, rights and privileges, and may conduct any lawful business allowed by the Non-Profit Corporation Law of the State of Arizona.

ARTICLE FIVE
INITIAL BUSINESS

This Association does not contemplate pecuniary gain or profit

to its members. The Association's initial business is to (1) assess, collect and disburse fees for the maintenance and preservation of the Common Area as defined in the Bylaws and is specifically limited to the internal roads, retention basins and drainage easements (the "Property") located within the boundaries of the Escapees At North Ranch Subdivision (the "Subdivision"). The Property is particularly described as:

Tracts F, G, I, J, K and L and interior roads, retention basins and drainage easements as reflected on the Plat of the Subdivision recorded in the Office of the Yavapai County Recorder in Book 348 of Maps, Pages 10, 11 and 12.

ARTICLE SIX
POWERS OF THE ASSOCIATION

In addition to the powers granted by law or in its Bylaws or the Rules and Regulations, the Association has the right, power and authority to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association described in the Declaration of Covenants, Conditions and Restrictions, (the "Declaration"), applicable to the Property and recorded, or to be recorded, in the Office of the County Recorder of Yavapai County as amended from time to time. The Declaration is incorporated by reference as if set forth in full;

(b) fix, levy, collect and enforce payment of all charges or assessments pursuant to the terms of the Declaration or as otherwise allowed by law;

(c) pay all reasonable expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the personal and real property of the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, trade, dedicate for public or private use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for the purposes and subject to the conditions as may be agreed to by the Board of Directors;

(f) participate in mergers and consolidations with other non profit corporations organized for similar purposes or annex additional residential property and/or Common Area; however, the foregoing powers do not include the right, power or authority to deny access to or use of the roads to or by a lot owner, resident or Rainbow Parks, Inc., their successors, agents, guests or invitees.

ARTICLE SEVEN MEMBERSHIP

Subject to the definitions and conditions imposed in the Declaration, every person or entity which owns an interest in a Lot which is subject to the Declaration, including contract sellers, shall be a "Member" of the Association. (Persons or entities which hold an interest merely as security for the performance of an obligation are not entitled to membership in the Association). Membership is appurtenant to, and may not be separated from, ownership of a Lot which is subject to Assessment by the Association.

ARTICLE EIGHT VOTING RIGHTS

Members of the Association have the voting rights set forth in the Declaration and/or in the Bylaws.

ARTICLE NINE BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) directors, all of whom shall be Members of the Association excepting, however, two (2) Members of the Board of Directors shall be representative of and appointed by Rainbow Parks, Inc. and two members (who must be Members of the Association) shall be appointed by the Advisory Committee. The number of directors may be changed by amendment of the Bylaws of the Association. At the annual meetings the directors shall be elected and appointed as set forth in the Bylaws to serve for terms as required by the Bylaws. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

- | | |
|-----------------------------|-----------------------------|
| 1. Dan Sarver | 2. Maury Davis |
| c/o Escapees at North Ranch | c/o Escapees at North Ranch |
| P.O. Box 556 | P.O. Box 556 |
| Congress, AZ 85332 | Congress, AZ 85332 |

**Escapees at North Ranch Common Area
Maintenance Association, Inc.**

P O Box 1122
Congress, AZ 85332-1122
email: enrcoma@worldlinkisp.com

**AMENDMENT TO
ARTICLES OF INCORPORATION
OF**

COPY

Escapees at North Ranch Common Area Maintenance Association, Inc.

**ARTICLE NINE
BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board of nine (9) directors, all of whom shall be Members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. At the annual meeting the directors shall be elected as set forth in the Bylaws to serve for terms as required by the Bylaws.

This Amendment was duly adopted by act of the members at the Annual Meeting on February 15, 2003, and in accordance with Article Thirteen (Amendments), received the required simple majority of all membership votes. (Of the 300 total ballots cast, from 436 members, 250 voted in favor of the amendment, with 35 voting against the amendment.)

In witness whereof, and in compliance with the requirements of the statutes of the State of Arizona, as required in A.R.S. Section 10-11006, the undersigned, constituting authorized Directors, executed this Amendment to the Articles of Incorporation to be effective from the filing date in March, 2003.

Dated this 3rd day of March, 2003.

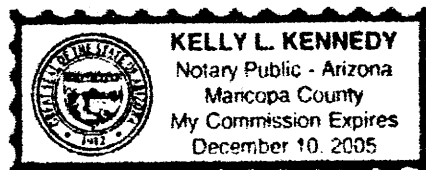
STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

This instrument was acknowledged before me this 5th day
of March, 2003, by Richard C. Smith + Helen Taylor
to witness whereof I herewith set my hand and official seal

Kelly L. Kennedy NOTARY PUBLIC.

Richard C. Smith
Richard C. Smith, President

Helen Taylor
Helen Taylor, Secretary



- | | |
|---|--|
| 3. Ken Gibson
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 85332 | 4. Al Moline
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 86332 |
| 5. Al Newell
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 85332 | 6. Valerie Godley
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 86332 |
| 7. Helen Taylor
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 85332 | 8. Larry Duke
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 86332 |
| 9. Clark O'Hagan
c/o Escapees at North Ranch
P.O. Box 556
Congress, AZ 85332 | |

The selection of the successors to the above-named Board Members shall be held on or before November 30, 1999.

ARTICLE TEN
INDEMNIFICATION

The Board of Directors are entitled to absolute immunity from liability for their actions taken on behalf of the Association as permitted by A.R.S. Section 10-1017(D) or other applicable Arizona law. The Bylaws may not limit or deny these rights of indemnity.

ARTICLE ELEVEN
DISSOLUTION

A. Unless otherwise specified the Association may be dissolved with the written consent of not less than two-thirds of the Members. 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. If that dedication is refused, then the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to a similar purpose.

B. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of its

assets exclusively for the purpose of the Association in a manner, or to organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any assets not disposed of shall be disposed of by the Superior Court of the County in which the principal office of the Association is then located, exclusively for purposes or to organizations, as the Court shall determine are organized and operated exclusively for those purposes.

ARTICLE TWELVE DURATION

The Association shall exist perpetually.

ARTICLE THIRTEEN AMENDMENTS

Amendment of these Articles requires a simple majority of all Membership votes.

ARTICLE FOURTEEN NON-PROFIT

No part of the net earnings of the Association shall inure to the benefit of, or be distributed to its Members, directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles or in the Declaration. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Association shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Association shall not carry on any activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code of 1954, (or the corresponding provisions of any future United States Internal Revenue Laws).

ARTICLE FIFTEEN
MEETINGS

The annual meeting is to be held at a place within or without the State of Arizona as fixed by the Bylaws.

ARTICLE SIXTEEN
INCORPORATORS

The names and addresses of the Incorporators are:

M. Annette Hogland
1135 Iron Springs Rd.
Prescott, AZ 86305

Barbara J. Panico
1135 Iron Springs Rd.
Prescott, AZ 86305

Upon filing these Articles with the Arizona Corporation Commission the duties and responsibilities of the incorporators cease and the term of initial Board of Directors commences.

IN WITNESS WHEREOF, to form this corporation under the laws of the State of Arizona, the undersigned, constituting the incorporators of this Association, executed these Articles of Incorporation to be effective from the filing date in April, 1999.

Dated this 18 day of August, 1999.

M. Annette Hogland
M. Annette Hogland

Barbara J. Panico
Barbara J. Panico

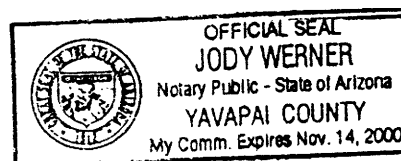
STATE OF ARIZONA)
) SS.
COUNTY OF YAVAPAI)

Subscribed and sworn to before me this 18th day of August, 1999 by M. Annette Hogland.

Witness my hand and seal.

My commission expires: Nov. 14, 2000

Jody Werner
NOTARY PUBLIC



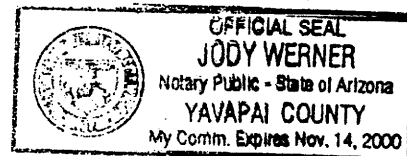
STATE OF ARIZONA)
) SS.
COUNTY OF YAVAPAI)

Subscribed and sworn to before me this 18th day of August, 1999
by Barbara J. Panico.

Witness my hand and seal.

My commission expires: Nov. 14, 2000

Jody Werner
NOTARY PUBLIC



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