

ARTICLES OF INCORPORATION
OF
TORREON COMMUNITY ASSOCIATION, INC.
(An Arizona Nonprofit Corporation)

EXPEDITED
AZ CORP COMMISSION
FILED
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MAY 27 4 08 PM '98
APPR. DATE APPR. DATE
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Deane Hill
5/27/98

Article 1. Name and Term. The name of the corporation is Torreon Community Association, Inc. ("Association"). The Association will exist perpetually.

Article 2. Nonprofit Corporation. The Association is formed as a nonstock, nonprofit corporation under the laws of the State of Arizona, Title 10, Chapter 22, Article 2, Arizona Revised Statutes.

Article 3. Principal Office. The mailing address of the initial principal office of the Association is 8900 E. Pinnacle Peak Road, Suite 200, Scottsdale, Arizona 85255.

Article 4. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Torreon, recorded or to be recorded in the official records of Navajo County, Arizona ("Declaration").

Article 5. Purposes. The purposes and character of affairs for which the Association is organized and intends to conduct in Arizona are:

- (a) to be and constitute the Association to which reference is made in the Declaration;
- (b) to perform all obligations and duties of the Association; and
- (c) to exercise all rights and powers of the Association, as specified in the Declaration, in the By-Laws, and as provided by law.

Article 6. Powers. The Association shall have all of the common law and statutory powers conferred upon nonprofit corporations under Arizona law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation, the power:

- (i) to fix, collect, and enforce payment, by any lawful means, of assessments and other charges to be levied against the Units;

- (ii) to manage, control, operate, maintain, repair, and improve property subject to the Declaration and any other property for which the Association by rule, regulation, covenant, or contract has a right or duty to perform such acts or provide such services;
- (iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be Authorized to do so under the Declaration or By-Laws;
- (iv) to engage in activities which will actively foster, promote, and advance the common interests of all Owners subject to the Declaration;
- (v) to buy or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, and otherwise deal in and with real and personal property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;
- (vi) to borrow money for any purpose, subject to such limitations as may be contained in the Declaration or By-Laws;
- (vii) to enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;
- (viii) to adopt, alter, and amend or repeat such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and
- (ix) to provide any and all supplemental services to the real property subject to the Declaration as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

Article 7. Members.

(a) The Association shall have two classes of membership, Class "A" and Class "B". The Class "A" Members shall be all Owners, except the Class "B" Member. The Class "B" Member shall be the Declarant. The Class "B" Member's rights are specified in the Declaration and By-Laws. The manner of exercising voting rights shall be as set forth in the Declaration and in the

(d) The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article 10. By-Laws. The By-Laws of the Association shall be adopted by the Board and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 11. Liability of Directors, Officers and Committee Members. To the fullest extent that Arizona law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer or committee member of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director, officer or committee member. To the fullest extent permitted under Arizona law, the Association, on demand, will indemnify all of its incorporators and any and all of its existing and former directors, officers, and committee members for, from and against all expenses, legal fees, judgments, penalties, and settlements for any and all acts or omissions done or omitted while employed by or acting on behalf of the Association. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 12. Amendments. Amendments to these Articles of Incorporation may be adopted by the approval of the Members and/or Voting Members representing 2/3 of the total Class "A" votes in the Association and the consent of the Class "B" Member, if such exists.

Article 13. Incorporator. The name of the incorporator of the Association is Gary L. Jones, and such incorporator's address is 8900 East Pinnacle Peak Road, Suite 200, Scottsdale, AZ 85255.

Article 14. Statutory Agent. The Association hereby appoints Gary L. Jones, 8900 East Pinnacle Peak Road, Suite 200, Scottsdale, AZ 85255, who is now and has been for more than three years past, a bona fide resident of the State of Arizona, as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon this corporation. The Board may, at any time, appoint another agent for such purpose and the filling of such appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 27th day of May, 1998.

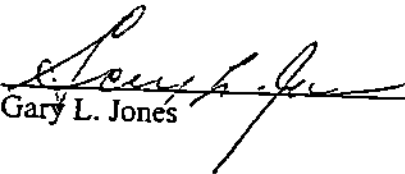


Gary L. Jones, Incorporator

CONSENT TO ACT AS STATUTORY AGENT

I, Gary L. Jones, 8900 East Pinnacle Peak Road, Suite 200, Scottsdale, Arizona 85255, having been a bona fide resident of the State of Arizona for the past three years and having been appointed as statutory agent for Torreon Community Association, Inc., an Arizona non-profit corporation, hereby consent to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

Dated: May 27, 1998.


Gary L. Jones