ARTICLES OF INCORPORATION

OF

WESTERN SKIES ESTATES HOMEOWNER'S ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves for the purpose of forming a corporation under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation.

1. Name. The name of this corporation (hereinafter "Association") is WESTERN SKIES ESTATES HOMEOWNER'S ASSOCIATION.

2. Duration. The period of duration of the Association shall be perpetual.

3. Principal Place of Business. The principal office for the transaction of business of the Association is located in Maricopa County, Arizona.

4. Statutory Agent. The name and address of the initial statutory agent for the Association are:

   Thomas Arendt
   Gust Rosenfeld
   201 North Central Avenue
   Suite 3300
   Phoenix, Arizona  85073

5. Nonprofit Corporation. This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

6. Purpose and Powers. This Association does not contemplate the distribution of gains, profits or dividends to its Members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, replacement, improvement, preservation and architectural control of the Master Common Area and all other areas for which the Association has such responsibilities within that certain tract of property situated in the Town of Gilbert, Maricopa County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") which will be recorded hereafter in the official records of the Maricopa County Recorder, and to promote the health, safety and welfare of all of the residents within the above-described Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to the Declaration.

TCA 44624.4 5/24/94
In furtherance of said purposes, this Association shall have such powers as are set forth in the Bylaws, and any and all powers, rights and privileges which a nonprofit corporation organized under the General Corporation Law of the State of Arizona (A.R.S. 10-1001 et seq.) (the "Corporation Act") may now or hereafter have or exercise.

7. **Membership Voting Rights.** The number and qualifications of Members of the Association, the different classes of Membership, if any, the property, voting and other rights and privileges of Members, their liability for Assessments and the method of collection thereof shall be as set forth in the Declaration and the Bylaws.

8. **Board of Directors.** The affairs of this Association shall be managed by a Board of not less than three (3) Directors. The initial Directors, who shall serve until their successors are elected or appointed according to the Bylaws, are as follows:

   Roger Williams  
   4715 North 32nd Street  
   Suite 104  
   Phoenix, Arizona 85018

   Don Kile  
   4715 North 32nd Street  
   Suite 104  
   Phoenix, Arizona 85018

   Cherie Selzer  
   4715 North 32nd Street  
   Suite 104  
   Phoenix, Arizona 85018

The number of Directors may be changed by amendment to the Bylaws.

9. **Elimination of Director Liability.** Each Director shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or omission resulting in damage or injury if said Director was acting in good faith and within the scope of his official capacity (which is any decision, act or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized), unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Director. Without limiting the foregoing, it is the intention of this paragraph to provide for the Directors the full benefits and immunities created by or available under the provisions of A.R.S. 10-1017(D), 10-1029(D) and 10-1029(A)(8), as the same may be expanded or modified in the future.

10. **Dissolution.** In the event of dissolution, liquidation or winding up of the Association (other than incident to a merger or consolidation), the Association shall pay or adequately provide for the debts and obligations of the Association and otherwise comply with the Corporation Act. The Directors or Persons in charge of the liquidation shall dedicate the assets of the Association to an appropriate public agency to be used for purposes similar to those
for which this Association was created or if such dedication is refused acceptance, then such assets may be granted, transferred or conveyed to any nonprofit corporation, association, trust or other organization devoted to similar purposes.

11. **Amendments.** These Articles may be amended according to the procedures as set forth in the Bylaws.

12. **FHA/VA Approval.** As long as there is Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration if either of those agencies has approved the proposed development plan of the Project: annexation of additional property, mergers and consolidations, mortgaging of Master Common Area, dedication of Master Common Area and dissolution and amendment of these Articles.

13. **Incorporators.** The Incorporators and their names and addresses are:

Roger Williams  
4715 North 32nd Street  
Suite 104  
Phoenix, AZ 85018  

Donald R. Kile  
4715 North 32nd Street  
Suite 104  
Phoenix, AZ 85018  

14. **Tax-Exempt.** This Association, through its Directors, will elect to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code of 1986, as amended.

15. **Definitions.** All initially capitalized terms used herein without definition shall have the meanings set forth for such terms in the Declaration.

In witness whereof, for the purpose of forming this Association under the laws of the State of Arizona, we, the undersigned, constituting the Incorporators of this Association, have executed these Articles of Incorporation this ___ day of ____ , 1994.

**INCORPORATORS:**

[Signature]
Roger Williams

[Signature]
Don R. Kile
May 31, 1994

VIA HAND-DELIVERY

Mr. Don Kile
Pinnacle Builders
4715 North 32nd Street
Suite 104
Phoenix, Arizona 85018

Re: Articles of Incorporation
    for Western Skies Homeowner's Association
    Pinnacle Builders - Conner
    Our File No. 0013591-00001

Dear Don:

Enclosed are the original Articles of Incorporation for Western Skies Estates Homeowner's Association which were filed with the Arizona Corporation Commission on May 27, 1994.

A copy of the Articles have been sent to The Record Reporter for publication.

Please call if you have any questions.

Sincerely,

GUST ROSENFELD

Mary Pischner

52980
Enclosures
May 27, 1994

Re: Western Skies Homeowner's Association

We are pleased to notify you that your Articles of Incorporation were filed on 5-27-94.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in Maricopa County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is 12-31.

Each year, a preprinted Annual Report Form will be mailed to you during that month.

Your first annual report will be due 4-15-95.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

Cheryl Leon
Examiner
Corporations Division
Arizona Corporation Commission