

STATE OF ARIZONA
ACC/FAX
DATE FILED

AUG 06 2004

ARTICLES OF INCORPORATION
OF

DATE APPR 8/6/04
TERM _____
BY DWilliams

KENLY FARMS HOMEOWNERS ASSOCIATION

- 1147087-7

The undersigned hereby adopts the following Articles of Incorporation, effective as of August 4, 2004:

1. Name: The name of the corporation shall be KENLY FARMS HOMEOWNERS ASSOCIATION (the "Association").

2. Purpose: The Association is organized and shall be operated as a nonprofit corporation, for purposes of conducting any or all lawful affairs for which corporations may be incorporated under the Arizona Nonprofit Corporation Act, as in effect on the date these Articles are filed, and any amendments thereof or successor statutes thereto, and for the purposes of performing or exercising all duties, obligations, responsibilities and rights imposed upon or granted to the "Association" in the Declaration of Covenants, Conditions and Restrictions for Kenly Farms (the "Declaration") recorded at Recorder's No. 2004-0913345, in the office of the Maricopa County, Arizona Recorder. (References in these Articles to specific statutes shall be deemed to refer to such statutes as amended and to successor statutes thereto.)

3. Initial Activity: As its initial activity (which shall not limit the character of affairs which the Association ultimately conducts), the Association intends to act as a property owners association, to own, care for, manage and maintain common area and common facilities, to adopt budgets, to collect assessments, and to take such other actions and engage in such other actions and activities as may be required of, or permitted for, the Association under the Declaration.

4. Statutory Agent: The name and address of the Association's initial statutory agent is L and R Service Co., 40 North Central Avenue, 19th Floor, Phoenix, Arizona 85004.

5. Board of Directors: The board of directors (the "Board") shall consist of three members, subject to increase as provided in the Association's bylaws (the "Bylaws"). The initial directors and their addresses are:

Darin E. Rowe
3200 E. Camelback Rd., Suite 300
Phoenix, Arizona 85018

Frank Della Cioppa
3200 E. Camelback Rd., Suite 300
Phoenix, Arizona 85018

Dorsey A. Dollar
3200 E. Camelback Rd., Suite 300
Phoenix, Arizona 85018

6. Incorporator: The name and address of the incorporator of the Association are:

Darin E. Rowe
3200 E. Camelback Rd., Suite 300
Phoenix, Arizona 85018

7. Members: The members of the Association ("Members") and their voting rights shall be determined as provided in the Declaration.

8. Net Earnings; Transfer of Assets on Dissolution: No part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or to any private individual, except the Association may pay reasonable compensation for services and make payments in furtherance of its purposes. Upon dissolution of the Association, the assets of the Association, whether real or personal, after rebate to Members of excess assessments or fees, 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 or rebates to Members of excess assessments or fees shall not constitute an inurement of net earnings.

9. Amendments: Subject to any additional limitations imposed by the Declaration, these Articles and the Bylaws may only be amended in the following manner: The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either an annual or a special meeting, and if approved by members holding (either personally or by valid proxy) the Applicable Percentage (defined below) of the votes eligible to be cast on the amendment (including votes otherwise eligible to be cast but not represented personally or by valid proxy at such meeting), such amendment shall have been adopted, provided, however, that a copy of any such proposed amendment or a summary of the changes to be effected shall have been given to each Member in good standing at least ten (10) days prior to said meeting of the Members. For purposes hereof, the term "Applicable Percentage" shall mean, in the case of an amendment to these Articles, sixty-seven percent (67%), and in the case of an amendment to the Bylaws, fifty-one percent (51%). Any number of amendments may be submitted and voted upon at any one meeting.

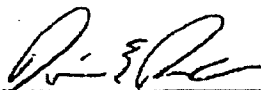
10. Indemnification: The Association shall indemnify each "director" and "officer" of the Association (as those terms are defined in A.R.S. Section 10-3850) to the fullest extent permissible: (a) under the provisions of the Arizona Nonprofit Corporation Act, including, without limitation, Chapter 31, Title 10, Article 5 of the Arizona Revised Statutes; (b) under indemnification provisions of successor or amended statutes; (c) as provided in the Declaration or the Bylaws; or (d) by any agreement adopted pursuant to the provisions of Chapter 31, Title 10, Article 5 of the Arizona Revised Statutes.

11. Director Liability: A director of the Association shall not be personally liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director.

This article shall not eliminate or limit the liability of a director for any conduct described in clauses (a) through (e), inclusive, of Section 10-3202 (b)(1), Arizona Revised Statutes. 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 the repeal or modification becomes effective.

12. Conflicts. In the event of any conflict between the Declaration and these Articles, the Declaration shall control. In the event of any conflict between these Articles and the Bylaws, these Articles shall control.

EXECUTED as of the date first set forth above.



DARIN E. ROWE

ACCEPTANCE OF STATUTORY AGENT

L and R Service Co., an Arizona corporation, having been appointed to serve as statutory agent for Kenly Farms Homeowners Association, hereby accepts said appointment and agrees to serve in that capacity until replaced by the Association in accordance with the Arizona Nonprofit Corporation Act, or until the effective date of any resignation submitted by the undersigned in accordance with that Act.

L and R Service Co.,
an Arizona corporation

By Cyndee S. Alderson
Assistant Secretary

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Secretary

DAVID RABER
Director, Corporations Division

August 13, 2004

LEWIS AND ROCA
40 N CENTRAL AVE
PHOENIX, AZ 85004-4429

RE: KENLY FARMS HOMEOWNERS ASSOCIATION
File Number: -1147087-7

We are pleased to notify you that your Articles of Incorporation were filed on August 6, 2004.

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 date of this letter. Make sure the newspaper publishes 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,
DELTA WILLIAMS
Examiner
Corporations Division

CF:04, Rev:01/2004