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**ARTICLES OF INCORPORATION
OF
THE CASITAS HOMEOWNERS ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Arizona, does hereby adopt the following Articles of Incorporation.

1. Name. The name of this corporation (hereinafter "Association") is The Casitas Homeowners Association.
2. Duration. The period of duration of the Association shall be perpetual.
3. Principal Place of Business. The initial known place of business and principal office for the transaction of business of the Association is located at 6 E. Palo Verde #12, Gilbert, Arizona 85296.
4. Statutory Agent. The name and address of the Association's initial Statutory Agent, a bona fide resident of the State of Arizona for more than three years, are:

Wayne Funk
6 E. Palo Verde #12
Gilbert, Arizona 85296

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 purpose for which it is formed are to provide for the management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Areas of Association Responsibility within that certain Property located in Maricopa County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions, Restrictions and Easements for The Casitas (the "Declaration") which was recorded on the 11th day of December, 1998, at Instrument No. 98-1122891 in the Official Records of the Maricopa County, Arizona Recorder, and to promote the health, safety and welfare of all of the residents within the above-described Property and the jurisdiction of this Association for these purposes, all according to the Declaration.

In furtherance of said purposes, this Association shall have the powers to:

- a. Perform all of the duties and obligations of the Association as set forth in the Declaration;

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R. More 8/6/04*

b. Fix, levy, collect and enforce Assessments, late charges, monetary penalties, fines, fees or other charges as set forth in the Declaration;

c. Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes or governmental charges levied or imposed against any property owned by the Association;

d. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, further subject to the provisions of the Declaration;

e. Grant easements over Areas of Association Responsibility (other than on Lots) to any public agency, authority or utility company, further subject to the provisions of the Declaration;

f. Convey the Common Area or subject the same to a mortgage or other security interest, further subject to the provisions of the Declaration;

g. Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose;

h. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Nonprofit Corporation Act (A.R.S. §10-2301 et seq.) by law may now or hereafter have or exercise.

7. Membership Voting Rights. The number and qualifications of Members of the Association, 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. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically upon becoming the Owner thereof, be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership and voting rights are appurtenant to, and inseparable from, ownership of the Lot.

8. Board of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) Directors (the exact number of which and their terms shall be fixed in the Bylaws, or amendments thereof), duly adopted by the Members or by the Board of Directors). The number of Directors may be changed by amendment to the Bylaws. The initial Board of Directors, the members of which shall serve until their successors are elected or appointed according to the Bylaws, are as follows:

Wayne Funk
6 E. Palo Verde #12
Gilbert, Arizona 85296

Grace H. Yates
Jo Dee Stehagen
Wayne S. Fink

9. Elimination of Director Liability. As set forth in the Arizona Nonprofit Corporation Act, 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. §§10-2317 and 10-2342(A)(8), as the same may be expanded or modified in the future.

10. Dissolution. The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the authorized votes in each class of Membership. Upon the 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 Arizona Nonprofit Corporation Act, including, without limitation, §10-2422 thereof. Upon such dissolution, liquidation or winding up, 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. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose, or if such action, is not feasible, then any assets remaining after providing for the debts and obligations of the Association, shall be distributed to the Members in accordance with their respective share of the Common Expenses.

11. Amendments. These Articles may be amended by the vote or written assent of Members representing at least sixty-seven percent (67%) of the total votes in each class of Membership; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. While Class B Membership exists, Declarant, and thereafter the Board, may, without the consent of the Members or Mortgagees, amend these Articles to conform to the requirements and guidelines of the Veterans Administration (VA) and/or Federal Housing Administration (FHA) or any other governmental or quasi-governmental entity or federal corporation whose approval of the Property and the Project Documents is required by law or requested by Declarant or the Association.

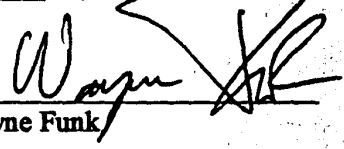
12. VA/FHA Approval. If the VA or FHA has insured or guaranteed a mortgage loan on any Lot in the Property, the approval of the VA or FHA, as applicable, shall be required prior to the annexation of additional property to the Property, mergers and consolidations, mortgaging of a Common Area, dedication of a Common Area, dissolution or amendment of these Articles.

13. Incorporators. The incorporator of the Association and his name and address are:

Wayne Funk
6 E. Palo Verde #12
Gilbert, Arizona 85296

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

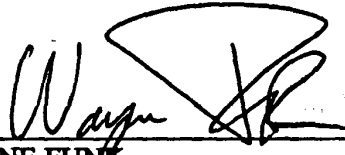
IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation this 17th day of December, 1998.

By 
Wayne Funk

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT
THE CASITAS HOMEOWNERS ASSOCIATION

The undersigned, having been appointed to act as statutory agent for this Arizona non-profit corporation, hereby accepts such appointment and agrees to act in that capacity until his removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 17th day of December, 1998.



WAYNE FUNK

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

CERTIFICATE OF DISCLOSURE
A.R.S. §10-202.D

CHECK APPROPRIATE BOX (A OR B)
ANSWER "C"

THE CASITAS HOMEOWNERS ASSOCIATION
EXACT CORPORATE NAME

THE UNDERSIGNED CERTIFY THAT:

A. No persons serving either by elections or appointment as officers, directors, trustees, incorporators and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:

- | | |
|---|--|
| 1. Full name, prior name(s) and aliases, if used. | 6. Social Security number. |
| 2. Full birth name. | 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case. |
| 3. Present home address. | |
| 4. Prior addresses (for immediate preceding 7-year period). | |
| 5. Date and location of birth. | |

C. Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes _____ No y

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- | | |
|---|---|
| 1. Name and address of the corporation. | 3. State(s) in which the corporation: |
| 2. Full name (including aliases) and address of each person involved. | (a) Was incorporated. (b) Has transacted business. |
| | 4. Dates of corporate operation. |
| | 5. Date and case number of Bankruptcy or date of revocation/administrative dissolution. |

D. The fiscal year end adopted by the corporation is December 31.

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY Wayne Funk BY Jo Dee Seehagen

PRINT NAME WAYNE FUNK PRINT NAME Jo Dee Seehagen

TITLE Incorporator/Officer/Director DATE 12/16/98 TITLE Secretary/Treasurer DATE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate of disclosure by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.