

**ARTICLES OF
INCORPORATION**

For

**CASA BLANCA VILLAS
TOWNHOUSE
ASSOCIATION OF
PHOENIX**

COMMISSIONERS
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WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Secretary

DAVID RABER
Director, Corporations Division

March 14, 2005

STEPHANIE BENAVIDES
1502 W OSBORN #7
PHOENIX, AZ 85015

RE: CASA BLANCA VILLAS TOWNHOUSE ASSOCIATION OF PHOENIX
File Number: -1177878-1

We are pleased to notify you that your Articles of Incorporation were filed on January 25, 2005.

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,
JOSE ORTIZ
Examiner
Corporations Division

CF:04, Rev:01/2004

JAN 25 2005

FILE NO. 11778784

*ARTICLES OF INCORPORATION
OF
CASA BLANCA VILLAS TOWNHOUSE ASSOCIATION
OF PHOENIX*

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 Casa Blanca Villas Townhouse Association of Phoenix.
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 1502 W. Osborn Rd., Ste. 7, Phoenix, Arizona 85015.
4. *Statutory Agent.* The name and address of the Association's initial Statutory Agent, a duly organized domestic limited liability company, are: New Casa Blanca Villas, LLC, c/o Right Place Properties, 1502 W. Osborn Rd., Ste. 7, Phoenix, Arizona 85015.
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 primary purposes for which the Association is formed are to provide for the management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Areas of Association Responsibility within the Casa Blanca Villas subdivision (platted as Cedic Gardens Townhouses) and to promote the health, safety and welfare of all Residents therein. The Project is more fully described in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Casa Blanca Villas to Recorded hereafter (the "*Declaration*") and the plat of Cedic Gardens Townhouses Recorded in Book 174 of Maps, page 9, both of which were Recorded in the Official Records of the Maricopa County, Arizona Recorder.

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;

- 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. §10-3101 et seq.) by law may now or hereafter have or exercise.

7. ***Membership Voting Rights.*** This Association will have Members. 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.

8. ***Board of Directors.*** The affairs of this Association shall be managed by a Board of Directors. While Class B Membership exists, the Board shall be comprised of two (2) directors, who shall serve until their successors are elected or appointed according to the Bylaws. The name and address of the initial Directors are as follows:

Earl Ricker
1502 W. Osborn Rd., Ste. 7
Phoenix, Arizona 85015

Robert L. Porter
1502 W. Osborn Rd., Ste. 7
Phoenix, Arizona 85015

After Class B Membership expires or terminates, the number of director positions on the Board shall automatically increase to three (3) directors who shall be elected or appointed and serve as provided in the Bylaws.

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. §§10-3202(B) and 10-3830(D), 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, §10-11405 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 the 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 or be inconsistent with the provisions of the Declaration. While Class B Membership exists, Declarant, and thereafter the Board, may, without the consent of the Members or Mortgagees, unilaterally amend these Articles to conform to the requirements and guidelines of any 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. **Incorporator.** The name and address of the incorporator of the Association are: New Casa Blanca Villas, LLC, c/o Right Place Properties, 1502 W. Osborn Rd., Ste. 7, Phoenix, Arizona 85015.

13. **VA/FHA Approval.** If the VA or FHA has insured or guaranteed a mortgage loan on any Lot in the Property, and while Class B Membership exists, 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.

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 Incorporator has executed these Articles of Incorporation this 24 day of January, 2005.

NEW CASA BLANCA VILLAS, LLC,
an Arizona limited liability company

By

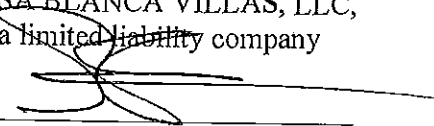

Robert L. Porter, Manager

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT
CASA BLANCA VILLAS TOWNHOUSE ASSOCIATION OF PHOENIX

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 its removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 24 day of January, 2005.

NEW CASA BLANCA VILLAS, LLC,
an Arizona limited liability company

By 
Robert L. Porter, Manager

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

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

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

NONPROFIT
CERTIFICATE OF DISCLOSURE
A.R.S. Section 10-3202.D.

CASA BLANCA VILLAS TOWNHOUSE ASSOCIATION OF PHOENIX
EXACT CORPORATE NAME

- A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:
1. 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. 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. 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?

Yes _____ No X

B. IF YES, the following information MUST be attached:

1. Full name and prior name(s) used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
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.

- C. Has any person serving either by election or appointment as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any other corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

_____ No X

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.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated.
 - (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case.

D. The fiscal year end adopted by the corporation is 12/31.

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

NEW CASA BLANCA VILLAS LLC, an Arizona llc

BY [Signature] DATE 1/21/05
TITLE Officer/Director

BY [Signature] DATE 1/21/05
TITLE Robert L. Porter, Manager

BY [Signature] DATE 1/21/05
TITLE Robert L. Porter/Officer/Director

BY _____ DATE _____
TITLE INCORPORATOR

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

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

