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COMMISSIONER

WILLIAM A. MUNDELL
COMMISSIONER



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL
DIRECTOR, CORPORATIONS DIVISION

CT CORPORATION SYSTEM
3225 N CENTRAL AVE
PHOENIX, AZ 85012

RE: NANTUCKET HOMEOWNERS ASSOCIATION
File Number: -0882923-9

We are pleased to notify you that your Articles of Incorporation were filed on July 27, 1999.

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, 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, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report Form will be mailed to you prior to the due date of the report.

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.

Very truly yours,

MARY FLOREZ-GASTELO
Examiner
Corporations Division
Arizona Corporation Commission

CF:04
Rev: 4/97

EXPEDITED
AZ CORP COMMISSION
FILES

JUL 27 3 31 PM '98

M. Flores - *[Signature]*
7/27/98

-0882923-9

ARTICLES OF INCORPORATION
OF
NANTUCKET HOMEOWNERS ASSOCIATION

In compliance with the requirements of laws of the State of Arizona, the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt these Articles of Incorporation.

ARTICLE I
NAME

The name of the corporation is *Nantucket Homeowners Association*, hereafter called the "Association".

ARTICLE II
PRINCIPAL

The principal office of the Association is located at 1800 West Broadway, Suite 4, Tempe, Arizona, 85282.

ARTICLE III
STATUTORY AGENT

CT Corporation, whose address is: 3225 North Central Ave., Phoenix, AZ 85012, is hereby appointed the statutory agent of this Association.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes; for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and common area within that subdivision of real property described on the attached Exhibit "A" (the "Property") and to promote the health, safety and welfare 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 to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions, Reservations and Easements, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded by the declarant thereof (the "Declarant") in the Office of the County Recorder of Maricopa County, Arizona, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the term of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association,

(c) 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;

(d) borrow money, and with the assent of two thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members of each class who are eligible to vote, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members of each class who are eligible to vote;

(g) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V **MEMBERSHIP**

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. No stock shall be issued by the Association.

ARTICLE VI **VOTING RIGHTS**

The Association shall have two classes of voting membership.

(1) Class "A" Class A Memberships shall be all Memberships, except the Class B Memberships held by the Declarant, and each Owner shall be entitled to one (1) vote for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of the Declaration in accordance with the provisions thereof;

(2) Class "B" Until converted to Class A Memberships as provided below, each Membership owned by Declarant shall be a Class B Membership. At the time of any vote by the Members of the Association, Declarant and the Designated Builders shall be entitled to three (3) votes for each Lot owned thereby. The Class B Memberships of a holder thereof shall cease and be converted to Class A Memberships on the first to occur of the following:

(A) The date which is ninety (90) days after the date when the total votes outstanding in the Class A Memberships entitled to vote equal the total votes outstanding in the Class B Memberships;

(B) The 1st day of July, 2007; or

(C) The date that the holder thereof notifies the Board in writing that such holder is terminating its Class B Memberships and converting such Memberships to Class A Memberships.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not more than five (5) nor less than one (1) directors who need not be members of the Association. The number of directors serving from time to time shall be as determined by the Board of Directors or by the members from time to time. The names and addresses of three (3) persons who are to act in the capacity of directors until the election of their successors are:

Name	Address
Nathan Jacobus	1800 West Broadway, Suite 4, Tempe, Arizona, 85282.
Steve Pelz	1800 West Broadway, Suite 4, Tempe, Arizona, 85282.
Doug Stewart	1800 West Broadway, Suite 4, Tempe, Arizona, 85282.

All meetings of the Directors, each Director may vote in person or by proxy. All proxies shall be in Writing and filed with the Chairman of the Board or Secretary. All proxies shall be revocable and automatically cease in eleven (11) months.

ARTICLE VIII
OFFICERS

The affairs of the Corporation shall be administered by officers elected by the Board of Directors at its first meeting, and each successive meeting of the Board of Directors following the annual meeting of the members of the Association, or at other meetings called for such purpose, which officers shall serve at the pleasure of the Board of Directors. The officers shall consist of a President, Vice President, both of whom shall be members of the Board of Directors, and a Secretary and Treasurer- The initial officers of the Corporation shall be:

President	Nathan Jacobus
Vice President	Steve Pelz
Secretary	Linda Lance
Treasurer	Doug Stewart

who shall serve until their successors are appointed and qualified.

ARTICLE IX
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members of each class who are eligible to vote. Upon the dissolution of this Association, whether resulting from voluntary action on the part of the Board of Directors, court order, lapse of time, or otherwise, no part of the remaining assets of the Association, after the discharge of all corporate liabilities, shall inure to the private profit, benefit or advantage of any current or past member, Director or officer, but the whole of such remaining assets shall be dedicated by the Directors in cash or in kind absolutely and without possibility of reversion, as absolute gifts without return consideration, direct or indirect, in such amounts and proportions as the Directors shall determine, to a public agency or

utility or to a non-profit organization to be devoted to purposes similar to those of the Association. 71c determination of the Directors with respect to all such distributions shall be final.

ARTICLE X DURATION

The corporation shall exist perpetually.

ARTICLE XI AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the members of the entire membership who are eligible to vote. Notwithstanding anything contained herein to the contrary, however, the Board of Directors shall have the right to amend all or any part of these Articles to correct minor errors or omissions or to such an extent find with Such language as may be requested by the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of these Articles, or by any federally or state chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the filing, by the Board of Directors, of Article of Amendment duly signed by or on behalf of the Association with signatures acknowledged, specifying the errors or omissions in question and the federal, state or local governmental agency or the federally or state chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. The filing of such Articles of Amendment specifying such a request by an agency or institution shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Articles of Amendment, when filed, shall be binding upon all of the property and all persons having an interest therein.

ARTICLE XII FHA/VA APPROVAL

As long as there is, a Class B membership, the following actions will require the prior approval of the Federal Rousing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles. Consent of the FHA and VA to the foregoing will not he required if the FHA and VA have elected not to approve the property for certification or if such approval has been revoked, withdrawn, canceled or suspended. Consent of FHA or VA will be deemed to have been given if the matter has been admitted to the agency for approval and the agency has failed to respond within 30 days of such submittal.

ARTICLE XIII BYLAWS

The original Bylaws of the Association may be adopted by the incorporator.

ARTICLE XIV
IDEMNIFICATION

The Association shall indemnify any person against expenses, including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by reason of the fact that he or she is or was serving at the request of the Association as a director, officer, employee of the Association, in all circumstances in which, anti to the extent that, such indemnification. is specifically permitted and provided for by the laws of the State of Arizona at; then in effect.


ARTICLE XV
INCORPORATOR

The name and address or the Incorporator is:

Larry R. Day
10670 Civic Center Drive
Rancho Cucamonga, CA 91730

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 14th day of July, 1999

INCORPORATOR


Larry R. Day

I/WE, CT CORPORATION SYSTEMS, a(n) Delaware corporation having been designated the Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

CT CORPORATION SYSTEM


Vickie M. Prince
Assistant Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL NO. 1:

Lots 1 through 27, inclusive, and 30 through 47, inclusive, Tracts B and C, NANTUCKET VILLAGE UNIT 1, according to the plat of record in the office of the County recorder of Maricopa County, Arizona, in Book 457 of Maps, Page 14;

PARCEL NO. 2:

Lots 1,2,3,4,5, and Tract "A", NANTUCKET VILLAGE – UNIT 2, per final plat Recorded in Maricopa County Recorders Office, Arizona, in Book 468, Page 45.

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.

Nantucket Homeowner's Association

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?;
 - (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 such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

Yes _____ 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.

BY [Signature] DATE 7/23/99 BY _____ DATE _____
 TITLE Incorporator TITLE _____

BY _____ DATE _____ BY _____ DATE _____
 TITLE _____ TITLE _____

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

FOREIGN CORPORATIONS: Must be executed by any two executive officers or directors.

Attention Corporate Officers

If you have the responsibility of collecting, accounting for, and paying over payroll taxes withheld from the wages and salaries of corporate employees, read on.

A principal benefit of incorporation is limiting an owner's liability to the amount of his/her capital investment. This limited liability may not apply in all circumstances.

Section 6672 of the Internal Revenue Code States that the liability for taxes withheld from the wages and salaries of corporate employees may be assessed against the corporate officer(s) or employee(s) found to be responsible for their collection and payment. The personal liability of the responsible officer or employee is not limited to the amount of capital investment.

There are other civil and criminal penalties in the law regarding filing, paying, depositing of employment taxes.

If you would like more information regarding this or any other federal tax issue, contact your local Internal Revenue Service office or call toll-free,

1-800-829-1040.