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ARIZONA CORPORATION COMMISSION

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Executive Director

DAVID RABER
Director, Corporations Division

July 11, 2006

TOD C BOWDEN
PO BOX 1063
PATAGONIA, AZ 85624-1063

RE: COMMUNITY HOMES OF PATAGONIA, INC.
File Number: -1292505-4

We are pleased to notify you that your Articles of Incorporation were filed on June 16, 2006.

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 questions or need of 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,

Brenda Miller
Examiner
Corporations Division

CF:04

1300 WEST WASHINGTON, PHOENIX, ARIZONA 85007-2929 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347
www.cc.state.az.us - 602-542-3135

REV. 01/2004

JUN 16 2006

ARTICLES OF INCORPORATION
OF A TAX-EXEMPT
(Arizona Non-Profit Corporation)

FILE NO. L-1292505-4

1. Name: The Name of the Corporation is Community Homes of Patagonia, Inc.
2. Purpose: The purpose for which the corporation is organized is: to engage in activities exclusively for charitable, religious, educational and/or scientific purposes. These purposes shall include, but are not limited to:
 - a. To provide opportunities for low- and moderate-income residents of the Town of Patagonia, Arizona, and its vicinity to secure quality and affordable housing on a long-term basis;
 - b. To preserve the quality and affordability of such housing, permanently, for future low- and moderate-income residents of the Town of Patagonia and its vicinity;
 - c. To preserve the cultural diversity of the Town of Patagonia and its vicinity:
 - i. By promoting the development, rehabilitation and maintenance of quality housing for low- and moderate-income residents;
 - ii. By promoting economic opportunities for low- and moderate-income residents; and
 - iii. By making land available for projects and activities that improve the quality of life for low- and moderate-income residents; and
 - d. To promote the ecologically sound use of land and natural resources independently and in conjunction with the above purposes.
3. Character of Affairs: In furtherance, but not in limitation, of the foregoing charitable purposes, the character of affairs and powers of the Corporation shall be:
 - a. To purchase, receive, take by grant, gift, devise, bequest or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated;
 - b. To sell, convey, lease, exchange, transfer, or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any part of its property, or any interest therein, wherever situated, except as such activities are restricted under Article 4 of these Articles.
 - c. To raise or solicit funds for the furtherance of its charitable purposes; and
 - d. To do such things as are incidental to the foregoing purposes and powers.
4. Restrictions on Activities: Any land acquired by the Corporation shall be held for the benefit of the local community in accordance with the Corporate purposes.
 - a. Land held by the Corporation may be leased to persons, households, and other entities for such uses and on such terms as are consistent with the purposes of the Corporation, these Articles, and the Bylaws of the Corporation.
 - b. The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of the Board of Directors and the consent of any persons to whom the land in question is leased.

- c. Land shall not be sold by the Corporation except in extraordinary circumstances, and then only in accordance with the Bylaws of the Corporation, only when such sale is considered a necessary means of achieving the purpose of the Corporation.
- d. The Board of Directors and Members of the Corporation shall adopt a "resale formula," which shall be used in accordance with the Bylaws of the Corporation to limit the resale price of housing or other improvements on land leased by the Corporation to low- and moderate-income residents.

5. No part of the net earning of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or: (b) by a corporation, contributions to which are deductible under Section 170(a)(1) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws).

6. Dissolution: Upon dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principle office of the corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

7. Membership: The Corporation shall have members. Classes and benefits of membership shall be established in the Bylaws of the Corporation.

8. Board of Directors: The initial board of directors shall consist of five (5) directors. The names and addresses of the persons who are to serve as the directors until the first annual meeting of the Board of Directors are:

- | | |
|-----------------|--------------------------------|
| Mary Munroe | P.O. Box 145, Patagonia 85624 |
| Virginia Thiers | P.O. Box 1003, Patagonia 85624 |
| Dave Lambert | P.O. Box 1255, Patagonia 85624 |
| Walter Andrew | P.O. Box 536, Patagonia 85624 |
| Tod C. Bowden | P.O. Box 1063, Patagonia 85624 |

At their first annual meeting, and thereafter in accordance with the Bylaws of the Corporation, the Members of the Corporation shall elect a Board of Directors consisting of not less than nine (9) or more than fifteen (15) persons. The number of persons to serve on the Board of Directors shall be fixed by the Bylaws of the Corporation.

9. Known Place of Business: The street address of the known place of business of the Corporation is:

c/o Tod C. Bowden
P.O. Box 1063 / 3-C Harshaw Avenue
Patagonia, AZ 85624

10. Statutory Agent. (In Arizona) The name and address of the statutory agent of the Corporation is:

Tod C. Bowden
P.O. Box 1063 / 3-C Harshaw Avenue
Patagonia, AZ 85624

11. Incorporator: The name and address of the incorporator is:

Tod C. Bowden
P.O. Box 1063 / 3-C Harshaw Avenue
Patagonia, AZ 85624

12. Discrimination: The Corporation will not practice or permit discrimination on the basis of sex, color, age, race, sexual orientation, national origin, religion, veteran status, or physical handicap or disability.

EXECUTED this 15th day of June 2006, by the incorporator.

Signed: Tod C. Bowden

Phone: (520)394-9051 Fax: (None)

Acceptance of Appointment By Statutory Agent

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this 15th day of June 2006.

Signed Tod C. Bowden

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

L-1292505-4

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.

Community Homes of Patagonia, Inc.
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

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

- | | |
|---|--|
| 1. Full name and prior name(s) 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 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?

Yes ___ No

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. | 4. Dates of corporate operation. |
| 2. Full name, including alias and address of each person involved. | 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. |
| 3. State(s) in which the corporation: <ol style="list-style-type: none"> (a) Was incorporated. (b) Has transacted business. | |

D. The fiscal year end adopted by the corporation is _____.

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 Tod C. Bourden DATE 6/15/2006
TITLE Incorporator

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
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 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.