

ARTICLES OF INCORPORATION
OF
MERCADO DEL RIO PROPERTY OWNERS ASSOCIATION

The undersigned hereby voluntarily set forth the following statements for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopt these Articles of Incorporation.

ARTICLE I

NAME

The name of the Corporation is MERCADO DEL RIO PROPERTY OWNERS ASSOCIATION, hereinafter called the "Association"

ARTICLE 2

KNOWN PLACE OF BUSINESS

The address of the Association's known place of business is 1980 East Palisades Road, Oro Valley, Arizona, 85737, but other offices for the Association may be established and maintained at such other places as the Board of Directors may designate from time to time.

ARTICLE 3

PURPOSE AND INITIAL BUSINESS

3.1 The initial business and primary purpose of the Association is to serve as a governing body for all of the Members, who are the Owners of the Lots comprising that certain subdivided Property known as Mercado del Rio Lots 1 - 16 & Block A, according to the plat thereof of record in the Records of the County Recorder of Pima County, Arizona, in Book 59 of Maps and Plats, at Page 28 thereof, (the "Property"), which Property is subject to that certain Declaration of Covenants, Conditions and Restrictions for Mercado Del Rio dated December 29, 2004, and recorded January 24, 2005 in the Records of the County Recorder of Pima County, Arizona at Docket 12474, at Page 318 thereof, as it may be amended from time to time hereafter (the "Declaration"), and to perform such other duties as are imposed upon the Association under the Declaration. Capitalized word and terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration.

3.2 The Association shall not engage in any other business or activity, except as set forth herein and in the Bylaws of the Association.

3.3 The Association does not contemplate pecuniary gain or profit to the Members thereof, and the Members shall have no individual interest in the profits of the Association, if any are generated.

ARTICLE 4

MEMBERSHIP AND VOTING RIGHTS

The Association shall have Members and the voting rights of the Members shall be as provided in the Declaration. It is hereby acknowledged that the Declaration may be amended from time to time but no such amendment shall change substantially the qualifications and requirements of Members and their respective voting rights.

ARTICLE 5

BOARD OF DIRECTORS

5.1 The affairs of the Association shall be conducted and managed by a Board of Directors (the "Board") which shall possess all of the rights, powers, privileges, duties and obligations assigned to the Board in the Declaration and in the Bylaws. The Board shall consist of not less than three (3) nor more than seven (7) individuals (collectively, "Directors"). Except for Directors appointed by the Declarant, each Director shall be an Owner of a Lot or, if an Owner is a corporation, partnership, trust or other legal entity, a representative thereof may be a Director. Declarant shall appoint the Directors at each annual meeting until the date Declarant's right to appoint the Board ceases as provided in the Declaration. After the date Declarant's right to appoint the Board ceases as provided in the Declaration, the Directors shall be elected by the Members.

5.2 The following persons shall constitute the Board until their successors are designated or elected and qualified:

Kit Donley
1980 East Palisades Road
Oro Valley, Arizona 85737

Paula Donley
1980 East Palisades Road
Oro Valley, Arizona 85737

Michael Karam
1980 East Palisades Road
Oro Valley, Arizona 85737

ARTICLE 6

OFFICERS

The affairs of the Association shall be administered by officers (collectively, "Officers") elected by the Board at its first meeting following each annual meeting of the Members, or at other meetings called for such purpose. The principal Officers of the Association shall be a president, a vice president, a secretary and a treasurer. The Officers shall have the rights and duties set forth in the Bylaws

ARTICLE 7

ELIMINATION OF DIRECTOR LIABILITY

To the fullest extent permitted by the Arizona Revised Statutes and other Applicable Law, as the same now exist or may hereafter be amended or modified, no Director shall be liable to the Association, any of its Members or any other party whatsoever for monetary damages for any action taken or any failure to take any action as a Director. No repeal, amendment or modification of this ARTICLE 7, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or failure to act of a Director occurring or failing to occur prior to such repeal, amendment or modification

ARTICLE 8

INDEMNIFICATION

To the fullest extent permitted by the Arizona Revised Statutes and other Applicable Law, as the same now exist or may hereafter be amended or modified, the Association shall indemnify and advance expenses to any person who incurs expenses or liabilities by reason of the fact he or she is or was an Officer or Director of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, limited liability company, trust or other entity. The indemnification and advancement of expenses provided in this ARTICLE 8 shall be mandatory in all circumstances in which the same are permitted by Applicable Law. No repeal, amendment or modification of this ARTICLE 8, whether direct or indirect, shall eliminate or reduce its effect with respect to any matter giving rise to the duty of indemnification and/or advancement of expenses occurring prior to such repeal, amendment or modification.

ARTICLE 9

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of Class A Members and by Declarant if Declarant is the Class B Member at that time. Upon dissolution of the Association, other than by reason of or incident to a merger or consolidation, the remaining assets of the Association, after discharge of all of its liabilities, shall be distributed to the current Members in proportion to their respective Assessment Percentages as provided in the Declaration.

ARTICLE 10

INCORPORATORS

The names and addresses of the incorporators are as follows:

Kit Donley
1980 East Palisades Road
Oro Valley, Arizona 85737

Paula Donley
1980 East Palisades Road
Oro Valley, Arizona 85737

All powers, duties and responsibilities of the Incorporators shall cease upon the filing of these Articles of Incorporation with the Arizona Corporation Commission.

ARTICLE 11

STATUTORY AGENT

Kit Donley, 1980 East Palisades Road, Oro Valley, Arizona, 85737, is hereby appointed statutory agent of the Association upon who all notices and process, including summons, may be served. The Board may revoke the appointment of the Associations's statutory agent at any time and shall have the power to designate a new statutory agent of the Association.

ARTICLE 12

DURATION

The duration of the Association shall be perpetual.

ARTICLE 13

CONFLICT WITH DECLARATION

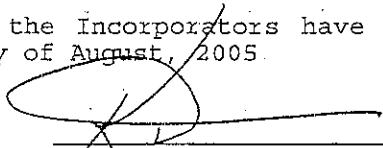
To the extent that these Articles shall be contrary to, inconsistent with, or more permissive than, any provision of the Declaration dealing with the same subject or Applicable Laws which apply to the Associations, the Declaration and/or such Applicable Laws shall control and these Articles shall be considered superseded by the Declaration and/or such Applicable Laws as to such provision.

ARTICLE 14

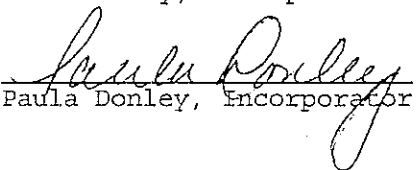
AMENDMENTS

Subject to the provisions of ARTICLE 13 hereof, any proposed amendment of these Articles on or before the date Declarant ceases to be the Class B Member need only be approved and adopted by a majority of the Directors and shall be effective upon such approval and adoption. After the date on which Declarant ceases to be the Class B Member, the Members may, at any regular or special meeting of the Members called for such purposes, amend, alter, or repeal any provision thereof by the affirmative vote of two-thirds (2/3) of the Members then entitled to vote in person or by proxy, and upon any notice to first mortgagees required by Applicable Law, and after any publications required by Applicable Law. Notwithstanding the foregoing, these Articles may not be amended or modified at any time without the consent of Declarant if the effect of such amendment or modification would be to diminish any of the rights of Declarant under these Articles, the Bylaws or the Declaration.

IN WITNESS WHEREOF, the Incorporators have executed these Articles of Incorporation this 11th day of August, 2005.



Kit Donley, Incorporator

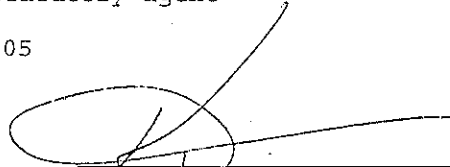


Paula Donley, Incorporator

CONSENT OF STATUTORY AGENT OF
MERCADO DEL RIO PROPERTY OWNERS ASSOCIATION

The undersigned, having been named in the Articles of Incorporation of Mercado del Rio Property Owners Association as its statutory agent for the State of Arizona, hereby confirms that he has been notified of the appointment and that he accepts the appointment as statutory agent

DATED: August 11, 2005



Kit Donley
1980 East Palisades Road
Oro Valley, AZ 85737