

ARTICLES OF AMENDMENT

OF

HAPPY TRAILS COMMUNITY ASSOCIATION

1. The name of the corporation is Happy Trails Community Association.
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. The amendment was adopted the 10 day of MARCH, 2005.
4. The amendment was duly adopted by act of the members board of directors . And with approval, in writing, by the person or persons so specified in the corporations's Articles of Incorporation or bylaws.

DATED as of this 10 day of MARCH, 2005.

HAPPY TRAILS COMMUNITY ASSOCIATION

By Phil Schwino

Phil Schwino, President
[name] [title]

**CERTIFICATE OF
AMENDMENT TO
ARTICLES OF INCORPORATION OF
HAPPY TRAILS COMMUNITY ASSOCIATION**

The Happy Trails Community Association ("Association") hereby amends the Articles of Incorporation of Happy Trails Community Association as follows:

Article II is replaced in its entirety by the following:

ARTICLE II
Definitions

The words and terms used herein shall be deemed to have the same definitions and meanings as in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Happy Trails Resort recorded in the official records of Maricopa County, Arizona, as amended from time to time (the "Declaration"). The Prior Declaration shall mean and refer to the Declaration recorded at recording number 85-009318.

The first paragraph of Article VIII is replaced in its entirety by the following:

The business, property and affairs of the Corporation shall be managed, controlled and conducted by a Board of Directors. The number of directors, who shall serve without compensation, shall not be less than three nor more than seven, as shall be specified in the Bylaws. The initial Board of Directors shall consist of three directors. Each director (other than the initial Board of Directors and the director provided for in Section 3.5.4 of the Prior Declaration) shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an office, partner or beneficiary of such Owner). If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant. Developer shall have the absolute power and right to appoint and remove members of the Board at any time and from time to time until the expiration or sooner termination of Developer's control of the Association pursuant to Section 3.17 of the Prior Declaration. Each director's term shall be for two years, subject however to the limited exceptions below to provide for staggered terms of directors. Two of the three directors elected to the initial Board of Directors shall serve two year terms. The initial term of the third director elected to the initial Board of Directors shall be for one year, and each successive term for such director position shall be for two years. The number of directors on the Board may be increased, but only in pairs of two and in no event may the total number of directors exceed seven. For each pair of additional directors elected to the Board, one director

shall serve a two year term. The initial term of the other director shall be for one year, and each successive term for such director position shall be for two years. Notwithstanding anything herein to the contrary, upon the expiration or sooner termination of Developer's control of the Association pursuant to Section 3.17 of the Prior Declaration, the Person owning any portions of the Property developed as a golf course and a Town Center, as described in Section 15 of the Declaration, shall at all times be entitled to be or have a designated representative be a member of the Board, subject to all the same rights and privileges and the same obligations and responsibilities as other members of the Board. In the event that portions of the Property developed as a golf course and a Town Center are not, following the expiration or sooner termination of Developer's control of the Association, owned by the same Person then all Persons holding an ownership interest in such portions of the Property shall jointly select a representative to hold the membership on the Board provided for in Section 3.5.4 of the Prior Declaration and if such Persons are unable to agree on a representative then such membership shall be vacant until agreement is reached.

Article XIV is replaced in its entirety by the following:

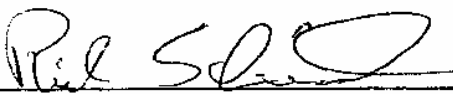
ARTICLE XIV
Management Contract

Any contract to be entered into by the Corporation or the management or operation of the Parcel by Developer shall provide that the Corporation may, in its sole discretion, cancel the contract upon 60 days' written notice to Developer in the event that the Development Agreement described in Section 17 of the Prior Declaration is terminated prior to its expiration date.

The President of the Association hereby certifies that the only changes made by this Amendment are to correct the references to the Section numbers of the Declaration, based on the recording of the Declaration, as amended and restated.

DATED this 10 day of MARCH, 2005.

HAPPY TRAILS COMMUNITY ASSOCIATION

By 
Phil Schwinn President
[name] [title]

ARTICLES OF INCORPORATION
OF
HAPPY TRAILS COMMUNITY ASSOCIATION

REC 12 1 13 PM '84
FILED BY *Donna Bell*
DATE FILED *12/20/84*
TERM _____
DATE _____
17107

The undersigned, as incorporators, have this date voluntarily associated themselves together for the purpose of forming a private non-profit membership corporation (the "Corporation") under and by virtue of the laws of the State of Arizona, and do hereby adopt the following Articles of Incorporation:

ARTICLE I
Name

The name of the Corporation is Happy Trails Community Association.

ARTICLE II
Definitions

The words and terms used herein shall be deemed to have the same definitions and meanings as in the Declaration of Covenants, Conditions and Restrictions for Happy Trails Resort recorded in the official records of Maricopa County, Arizona, as amended from time to time (the "Declaration").

ARTICLE III
Duration

The Corporation shall exist perpetually.

ARTICLE IV
Purposes

The Corporation is not organized for the purpose of gaining pecuniary profit. No part of the income or profit or net earnings of the Corporation, if any, shall inure to the benefit of any Owner, director or officer nor to any other person or entity other than by acquiring, constructing, or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments. The Corporation is formed and its initial business will be to act for and on behalf of all of the Owners for the ownership of Common Areas and for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the residence lots and Common Areas, for the assessment of expenses, for the payment of losses, for the disposition of casualty insurance proceeds, to enforce the terms and provisions of the Declaration and for other matters as provided in the Declaration, these Articles of Incorporation, and the Bylaws of the corporation. Without limiting the generality of the foregoing, to the extent authorized by its Board of Directors and in accordance with the provisions of the Declaration, the Corporation shall be empowered:

(a) To accept such properties, improvements, rights, and interests as may be conveyed, leased, assigned, or transferred to the Corporation; to assume such obligations and duties as may be contained in any lease assigned or transferred to the Corporation; to maintain, operate,

and otherwise manage all buildings, structures, improvements, landscaping, parking areas, walks, common elements, common areas, recreational areas and facilities now or hereafter constructed, on the Common Areas; to pay all taxes and assessments, if any, which may properly be levied against properties of the Corporation; to repair, rehabilitate and restore all buildings, structures and improvements on the Common Areas; to insure the Common Areas and all buildings and structures thereon as required by the Declaration and against such other risks as the Board of Directors shall determine; to make assignments and assessments for maintenance and operating charges as the Board of Directors shall determine in accordance with the Declaration and the Bylaws of the Corporation and to enforce the collection of such assessments; to impose liens against individual Lots to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Declaration; to enforce any and all covenants, restrictions and agreements applicable to the Parcel; to pay all maintenance, operating and other costs and to do all things and acts which in the sole discretion of the Board of Directors shall be deemed to be in the best interests of the Owners or for the peace, comfort, safety or general welfare of the Owners; all in accordance with the Declaration; to make and amend rules and regulations respecting the use of the Common Areas and the Lots; and to do all things necessary or appropriate to carry out and to enforce the terms and provisions of the Declaration.

(b) To purchase or otherwise acquire title to Lots or to hold and exercise options to purchase the same, and to lease Lots in the Corporation's name as lessee and to sell and lease or to grant options to lease and purchase Lots; and, if the Corporation becomes the owner or lessee of a Lot, to perform all of the obligations of an owner or lessee thereof and to assume and agree to pay any mortgage constituting a lien upon the Lot.

(c) To develop, construct, purchase, lease, own, improve, maintain, operate and hold real and personal property of every kind and description; to sell, convey, and lease such property; and to mortgage, assign and pledge or otherwise encumber such property.

(d) To borrow money, and to issue notes, bonds, and other evidences of indebtedness in furtherance of any or all of the objects and purposes of the Corporation, and to secure the same by mortgage, trust deed, pledge or other lien on or security interest in property of the corporation.

(e) To enter into, perform, and carry out leases and contracts of any kind necessary to or in connection with or incidental to the accomplishment of any one or more of the objects and purposes of the Corporation.

(f) To make refunds of excess payments from Owners, as may be provided in the Declaration or the Bylaws.

(g) To lend or invest its working capital and reserves with or without security.

(h) To act as surety or guarantor, agent, trustee, broker or in any other capacity when appropriate to the fulfillment and the furtherance of its objects and purposes.

(i) To procure all types and kinds of insurance as shall be deemed to be in the best interests of the Corporation.

(j) In general, to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and required.

ARTICLE V Character of Affairs

The character of affairs which the Corporation initially intends actually to conduct in Arizona is the fulfillment of all its duties and responsibilities and the exercise of all its rights, powers and prerogatives under the Declaration.

ARTICLE VI Membership; Classes of Members;; Voting Rights

The Members of the Corporation shall be the Owners of Lots, as provided in the Declaration and as shall be set forth in the Bylaws. Other than its Members, the Corporation shall have no shareholders, and no capital stock shall be authorized or issued. The voting rights of the Owners shall be as provided in the Declaration.

ARTICLE VII Statutory Agent

Fennemore, Craig, von Ammon, Udall & Powers (Attn: GTC), an Arizona professional corporation, whose address is 1700 First Interstate Bank Plaza, 100 West Washington Street, Phoenix, Arizona 85003, is hereby appointed the initial statutory agent of this Corporation for the State of Arizona.

ARTICLE VIII Board of Directors and Officers

The business, property and affairs of the Corporation shall be managed, controlled and conducted by a Board of Directors. The number of directors, who shall serve without compensation, shall not be less than three nor more than seven, as shall be specified in the Bylaws. The initial Board of Directors shall consist of three directors. Each director (other than the initial Board of Directors and the director provided for in Section 3.5.4 of the Declaration) shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Owner). If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant. Developer shall have the absolute power and right to appoint and remove members of the Board at any time and from time to time until the expiration or sooner termination of Developer's control of the Association pursuant to

Section 3.17 of the Declaration. Each director's term shall be for two years, subject however to the limited exceptions below to provide for staggered terms of directors. Two of the three directors elected to the initial Board of Directors shall serve two year terms. The initial term of the third director elected to the initial Board of Directors shall be for one year, and each successive term for such director position shall be for two years. The number of directors on the Board may be increased, but only in pairs of two and in no event may the total number of directors exceed seven. For each pair of additional directors elected to the Board, one director shall serve a two year term. The initial term of the other director shall be for one year, and each successive term for such director position shall be for two years. Notwithstanding anything herein to the contrary, upon the expiration or sooner termination of Developer's control of the Association pursuant to Section 3.17 of the Declaration, the Person owning any portions of the Property developed as a golf course and a Town Center, as described in Section 18 of the Declaration, shall at all times be entitled to be or have a designated representative be a member of the Board, subject to all the same rights and privileges and the same obligations and responsibilities as other members of the Board. In the event that portions of the Property developed as a golf course and a Town Center are not, following the expiration or sooner termination of Developer's control of the Association, owned by the same Person then all Persons holding an ownership interest in such portions of the Property shall jointly select a representative to hold the membership on the Board provided for in Section 3.5.4 of the Declaration and if such Persons are unable to agree on a representative then such membership shall be vacant until agreement is reached.

At a meeting held on December 10, 1984, at 7:00 p.m., at 6991 East Camelback Road, #A-201, Scottsdale, Arizona, Developer and the undersigned incorporators elected the following individuals to serve as directors until their successors are elected and qualified, as provided in the Declaration:

Name	Address
Jerry Andres	10451 Palmeras Drive, Suite 209 Sun City, Arizona 85373
Elaine Collins	10451 Palmeras Drive, Suite 209 Sun City, Arizona 85373
Jim Daggett	3443 North Central Avenue Phoenix, Arizona 85012

The Board of Directors shall have the power to adopt Bylaws and to change or amend the Bylaws as it may from time to time deem appropriate. The Bylaws shall prescribe, among other things, the date of the annual meeting of the members of the corporation.

The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The office of President must be held by a person who is a director.

ARTICLE IX
Incorporators

The names and addresses of the incorporators are:

Name	Address
Philip A. Edlund	6991 East Camelback Rd., Suite A-201 Scottsdale, Arizona 85251
George T. Cole	6991 East Camelback Rd., Suite A-201 Scottsdale, Arizona 85251

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing.

ARTICLE X
Private Property

The Members, directors and officers of this Corporation shall not be individually or personally liable for the debts or other liabilities of this Corporation, and the private property of the Members, directors and officers of this Corporation shall be forever exempt from corporate debts or liabilities of any kind whatsoever.

ARTICLE XI
Interdealing

No transaction, contract or act of this Corporation shall be either void or voidable or in any other way affected or invalidated by reason of the fact that any officer, director or Member of this Corporation, or any other corporation or other entity of which he may be an officer, director, member or shareholder, is in any way interested in such transaction, contract or act, provided the interest of such officer, director or Member is disclosed to or known by the members of the Board of Directors of this Corporation or such directors as shall be present at any meeting at which action is taken upon any such transaction, contract or act. Nor shall any such officer, director or Member be accountable or otherwise responsible to this Corporation for, or in connection with, any such action, contract or transaction or for any gains or profits realized by him by reason of the fact that he, or any other corporation or other entity of which he is an officer, director, member or shareholder, is interested in any such transaction, contract or act. Any such officer, director or Member, if he is a director, after making full disclosure of his interest, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this Corporation which shall authorize or take action upon any such transaction, contract or act, and he may vote at any such meeting to authorize, adopt, ratify or approve any such transaction, contract or act to the same extent as if he, or any other corporation or other entity of which he is an officer, director, member or shareholder, were not interested in such transaction, contract or act.

ARTICLE XII
Indemnification

This Corporation shall indemnify any and all of its directors and officers, and former directors and officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person or entity for acts or omissions alleged to have been committed by any such person or entity while acting within the scope of his or its authority as a director or officer of this Corporation, or exercising the powers of the Board of Directors, provided that the Board of Directors shall determine in good faith that such person or entity did not act, fail to act, or refuse to act willfully or with gross negligence or fraudulent or criminal intent in regard to the matter involved in the action. Notwithstanding anything to the contrary expressed herein, the Board of Directors shall have the right to refuse indemnification as to expenses in any instance in which the person or entity to whom indemnification would otherwise have been applicable shall have incurred expenses without approval by the Board of Directors which are excessive and unreasonable in the circumstances and are so determined by the Board of Directors, and as to expenses, judgments, or penalties in any instance in which such person or entity shall have refused unreasonably to permit this Corporation, at its own expense and through counsel of its own choosing, to defend him or it in the action or to compromise and settle the action. The Corporation shall also indemnify the employees and direct agents of the Corporation as provided in the Declaration in the same manner and with the same limitations as provided above with respect to directors and officers.

ARTICLE XIII
Amendments

These Articles of Incorporation may be amended with or without a meeting of the Owners by the affirmative vote of three-fourths of the Owners after the Board has first adopted a resolution setting forth the proposed amendment and directing that it be submitted to a vote by the Owners; provided, however, that as to the amendment of any provision of these Articles which specifies voting and quorum requirements for any action under such provision, the voting and quorum requirements of that provision shall apply also to any amendment of such provision. These Articles of Incorporation shall not be amended to contain any provision which would be contrary to or inconsistent with the Declaration, and any provision of or purported amendment to these Articles which is contrary to or inconsistent with the Declaration shall be void to the extent of such inconsistency.

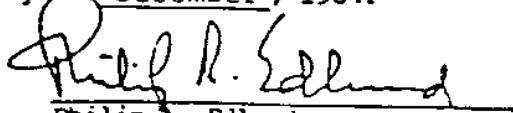
ARTICLE XIV
Management Contract

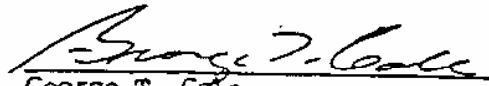
Any contract to be entered into by the Corporation for the management or operation of the Parcel by Developer shall provide that the Corporation may, in its sole discretion, cancel the contract upon 60 days' written notice to Developer in the event that the Development Agreement described in Section 17 of the Declaration is terminated prior to its expiration date.

ARTICLE XV
Conflict in Documents

In the case of any conflict between the Declaration and these Articles, or between the Declaration and the Bylaws, the Declaration shall control. In the case of any conflict between the Bylaws and these Articles, these Articles shall control.

IN WITNESS WHEREOF, the undersigned incorporators have hereunto affixed their signatures this 11th day of December, 1984.


Philip A. Edlund


George T. Cole