STATE OF ARIZONA
CORPORATION COMMISSION

NONPROFIT CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE FOREIGN / DOMESTIC

FOR FISCAL YEAR ENDING 12/31/1996 **DUE ON OR BEFORE** 04/15/1997

The following information is required by A.R.S. §10-1081 for all domestic and foreign nonprofit corporations authorized to conduct affairs in Arizona. The Commission's authority to prescribe this form is A.R.S. §10-1092. MAKE CHANGES OR CORRECTIONS WHERE NECESSARY.

Corporation File: -0091492-4
Corporation Name: CASAS ARROYO ASSOCIATION, INC.
Address: LA PRADERA MALL HWY 82
PO BOX 248

City, State, Zip: SONOITA AZ 85637-
Domicile: ARIZONA
Type: NON-PROFIT

RECEIVED
MAR 17 1997
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

Arizona Statutory Agent: RICHARD DUFFIELD
Street Address: 177 N CHURCH #711
(NOT P.O. BOX)

City, State, Zip: TUCSON AZ 85701-

1. Check the one category below which best describes the CHARACTER OF AFFAIRS conducted by your corporation in Arizona.

1. __ Charitable	8. __ Social	15. __ Agricultural
2. __ Benevolent	9. __ Fraternal	16. __ Horticultural
3. __ Educational	10. __ Literary	17. __ Animal Husbandry
4. __ Civic	11. __ Cultural	18. X Homeowners' Association
5. __ Patriotic	12. __ Athletic	19. __ Professional, commercial, industrial, or trade association
6. __ Political	13. __ Science/Research	
7. __ Religious	14. __ Hospital/Health Care	20. __ Other _____

ACC USE ONLY
Fee $ 10
Penalty $ _____
Total $ _____

2. NUMBER OF EMPLOYEES: Please check one. (For statistical purposes only.)

25 or Less X 26 - 100 ___ 101 - 500 ___ Over 500 ___

3. *~ ~ If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below ~ ~ ~ ~ and PRESIDENT or VICE PRESIDENT must sign page 4 of this report. ~ ~*

I, (individual) or We, (corporation) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Statutory Agent Name _____ Address _____

Signature _____ City, State, Zip _____

AZ C CORPORATION DIV RECEIVED MAY 15 '97 DOCUMENT IS SUBJECT TO REVIEW BEFORE FILING.

4. Foreign Corporations list Address in Domicile Jurisdiction:

Street/P. O. Box _____ City, State, (Country) Zip _____

-- PLEASE MAKE CORRECTIONS ON A SEPARATE SHEET --

5. **OFFICERS** (If no changes since last report, check here __ and go on to Section 6.)

PRESIDENT: TOM MORSE
Address: PO BOX 204
SONOITA, AZ 85637-
Date taking office: 12-05-92

VICE PRESIDENT: ERIK POWELL
Address: PO BOX 1040
SONOITA, AZ 85637-
Date taking office: 12-05-92

SECRETARY: ELIZABETH ERVIN
Address: PO BOX 506
SONOITA, AZ 85637-
Date taking office: 12-05-92

TREASURER: ELIZABETH ERVIN
Address: PO BOX 506
SONOITA, AZ 85637-
Date taking office: 12-05-92

6. **DIRECTORS** (If no changes since last report, check here __ and go on to Section 7.)

NAME: TOM MORSE
Address: PO BOX 204
SONOITA, AZ 85637-
Date taking office: 12-05-92

NAME: ELIZABETH ERVIN
Address: PO BOX 506
SONOITA, AZ 85637-
Date taking office: 12-05-92

NAME: FRANK HRABETIN
Address: PO BOX 157
SONOITA, AZ 85637-
Date taking office: 12-05-92

NAME: JIM NOTESTINE
Address: PO BOX 461
SONOITA, AZ 85637-
Date taking office: 12-05-92

~~ DO NOT WRITE BELOW THIS LINE ~~

0091492-4

Casas Arroyo Association, Inc.
Plaza de Las Reales, Hwy 83
Sonoita, Az 85637

Attachment : Annual Report
Arizona Corporation Commission

5. Officers

President	Elizabeth Ervin P.O. Box 506 Sonoita, Az 85637	12/05/96
Vice Pres,	Ron Spencer P.O. Box 503 Sonoita, Az 856737	12/05/96
Secretary	Jonathan Lunine P.O. Box 97 Sonoita, Az 85637	12/05/96
Treasurer	James Notestine P.O. Box 461 Sonoita, Az 85637	12/05/96

6. Directors

Elizabeth Ervin
P.O. Box 506
Sonoita, Az 85636
12/05/96

Jim Notestine
P.O. Box 461
Sonoita, Az 85637
12/05/96

Erik Powell
P.O. Box 1040
Sonoita, Az 85637
12/05/96

Jake Kittle
P.O. Box 470
Sonoita, Az 85637
12/05/96

Neil Petersen
P.O. Box 875
Sonoita, Az 85637
12/05/96

0091492-4

SCHOUTEN, KLEIN & SULLIVAN, P.C.
Certified Public Accountants

P.O. Box 248
Sonoita, Arizona 85637

HILBERT SCHOUTEN
BETH A. SULLIVAN

MARC L. KLEIN

Casas Arroyo Association, Inc.
Sonoita, Arizona 85637

We have compiled the accompanying Statement of Financial Condition - Balance Sheet (Section H) Casas Arroyo Association, Inc. as of October 31, 1996 in accordance with standards established by the American Institute of Certified Public Accountants.

The compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of Management. We have not audited of reviewed the financial statement referred to above and, accordingly, do not express an opinion or any other form of assurance on it.

This financial statement is presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, this financial statement is not designed for those who are not informed about such differences.

Schouten Klein & Sullivan P.C

Schouten, Klein & Sullivan, P.C.
Certified Public Accountants

February 18, 1997

Casas Arroyo Association, Inc. -0091492-4
(Non-Profit Corporation Name) (File Number)

7. STATEMENT OF FINANCIAL CONDITION (Required by A.R.S. §10-1081.A.6.)

You must submit a statement of the corporation's financial condition. Any reasonable schedule will be accepted provided it reflects the intent of the law, as determined by the Commission. Several suggestions for information you may submit to satisfy this requirement include the following:

- Attach a copy of Page 2, Form 99 filed with the Arizona Department of Revenue; OR
- a copy of the corporation's Charitable Organization Financial Statement as filed with the Arizona Secretary of State pursuant to A.R.S. §44-6552; OR
- a copy of your treasurer's report (or financial statement) prepared for this fiscal year, OR
- a copy of the financial statement you prepare for the benefit of your members; OR
- You may simply use the Balance Sheet below.

BALANCE SHEET

ASSETS

Current Assets:

Cash	$ 9,202.00	
Trade notes and accounts receivable (less allowance for bad debts)		
Inventories		
Other current assets		
Total Current Assets		$ 9,202.00
Land, buildings and other fixed assets (net of accumulated depreciation)	25,661.00	
Other assets	0	
Total Assets		$ 34,863.00

LIABILITIES

Current Liabilities:

Accounts Payable	$ 182.00	
Mortgages, notes, bonds (payable in less than 1 year)		
Other current liabilities		
Total Current Liabilities		182.00
Mortgages, notes, bonds (payable in more than 1 year)		
Fund Balances:		
Restricted		
Unrestricted	34,681.00	
Total Fund Balances		34,681.00
Total Liabilities and Fund Balances		$ 34,863.00

8.A. CERTIFICATE OF DISCLOSURE (A.R.S. §10-1084)

Has any person serving either by election or appointment as officers, directors, trustees, or incorporators:

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 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 execution of this certificate where 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

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

1. Full name and prior names 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; the date and location; the court and public agency involved, and the file or cause number of the case.

8.B. STATEMENT OF BANKRUPTCY (A.R.S. §10-1083)

Are you currently in federal bankruptcy proceedings, and if so, under which chapter of federal bankruptcy law is the action filed and on what date?

Yes ____ **Chapter** _____ **Date Filed** _____ **Case Number** _____ **No** X

9. **This report must be executed by the corporation and attested by it's president, a vice-president, secretary, assistant secretary or treasurer. (If the corporation is in the hands of a receiver or trustee, it shall be executed on behalf of the corporation.)**

I DECLARE, UNDER PENALTY OF LAW, THAT ALL CORPORATE INCOME TAX RETURNS REQUIRED BY TITLE 43 OF THE ARIZONA REVISED STATUTES HAVE BEEN FILED WITH THE ARIZONA DEPARTMENT OF REVENUE.

I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

By Elizabeth Ervin Date 3/14/97 By [signature] Date 3/14/97

Title President Title VICE-PRESIDENT