

MAY 04 2006

FILE NO. 1276021-6

ARTICLES OF INCORPORATION
OF
CHARLESTON ESTATES HOMEOWNERS ASSOCIATION

THESE ARTICLES OF INCORPORATION OF CHARLESTON ESTATES HOMEOWNERS ASSOCIATION (the "Articles") are effective as of the 3rd day of May, 2006.

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 Charleston Estates Homeowners Association, an Arizona nonprofit corporation, hereinafter called the "Association".

ARTICLE II
KNOWN PLACE OF BUSINESS

The address of the Association's known place of business is 6710 North Scottsdale Road, Suite 150, Scottsdale, Arizona 85253, but other offices may be established and maintained at such other places as the Board of Directors may designate from time to time.

ARTICLE III
PURPOSE AND INITIAL BUSINESS

The Association is organized and shall be operated as a nonprofit corporation for the purposes set forth in the Declaration of Covenants, Conditions and Restrictions for Charleston Estates (the "Declaration") to be recorded in the official records of Maricopa County, State of Arizona, and for conducting any or all lawful affairs for which corporations may be incorporated under Arizona law in connection with the development known as "Charleston Estates" (the "Property"). Standard Pacific of Arizona, Inc., a Delaware corporation, is referred to therein as the "Declarant".

The Association shall not engage in any other business or activity, except as set forth herein and in the Bylaws of the Association (the "Bylaws"). Notwithstanding any other provisions of these Articles, the Association shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization qualifying under Section 528 or, if the

Association so elects, Section 501(c)(4) of the Internal Revenue Code of 1986, as the case may be.

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 they are generated.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

The Association shall have members in accordance with the terms of the Declaration (the "Members") and their voting rights shall be as provided in the Declaration. It is hereby acknowledged that the Declaration may be amended from time to time to change the qualifications and requirements of Members and their respective voting rights. Pursuant to the terms of the Declaration, the Association shall have two (2) classes of Members, as follows:

Class A. Class A Members shall be all Owners, except that until the conversion of Declarant's Class B membership to Class A membership as provided below, Declarant shall be a Class B Member, not a Class A Member. Subject to the authority of the Board to suspend an Owner's voting rights in accordance with the provisions hereof, a Class A Member shall have one vote for each Lot owned by such Member; and

Class B. The Class B Member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned by Declarant. Declarant shall have the right, at any time and from time to time, to assign all or any part of its voting rights appurtenant to its Class B membership (as well as all or any other rights appurtenant thereto) to one or more Persons acquiring, for purposes of development and sale, including a Designated Builder, any part of the Property. Further, Declarant shall have the right, at any time and from time to time, to designate an individual or individuals to exercise Declarant's voting rights (whether appurtenant to Class A or Class B membership); provided, however, that such designation shall not act as an assignment by Declarant of its membership or voting rights hereunder. Subject to the terms of the Declaration, the Class B membership automatically shall cease and be converted to a Class A membership upon the happening of the first of the following events: (a) the date that seventy-five percent (75%) of the Lots are owned by Class A Members; (b) the date which is ten (10) years after the date the Declaration is recorded in the official records of Maricopa County, State of Arizona; or (c) the date Declarant records a written notice in the official records of Maricopa County, State of Arizona electing to convert the Class B membership to a Class A membership.

ARTICLE V BOARD OF DIRECTORS

The affairs of the Association shall be 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. The Board shall consist of not less than three (3) Members (collectively the "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, the Director may be a representative thereof. Declarant shall appoint the Directors at each annual meeting until its Class B membership is converted into a Class A membership in accordance with the terms of the Declaration.

Until the first annual meeting of the Members or until their successors are designated or elected or qualified, the following persons shall constitute the Board:

Michael J. Cronin
6710 North Scottsdale Road, Suite 150
Scottsdale, Arizona 85253

Lynn Maestas
6710 North Scottsdale Road, Suite 150
Scottsdale, Arizona 85253

Diann Curley
6710 North Scottsdale Road, Suite 150
Scottsdale, Arizona 85253

ARTICLE VI OFFICERS

The affairs of the Association shall be administered by 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 VII ELIMINATION OF DIRECTOR LIABILITY

To the fullest extent permitted by Arizona law as the same exists or may be hereafter amended, no Director shall be liable to the Association or its Members 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, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or failure to act of a Director occurring prior to such repeal, amendment or modification.

ARTICLE VIII
INDEMNIFICATION

To the fullest extent permitted by the Arizona Revised Statutes as the same exist or may be hereafter amended, 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 foregoing indemnification and advancement of expenses shall be mandatory in all circumstances in which the same are permitted by law. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any matter giving rise to indemnification and advancement of expenses occurring prior to such repeal, amendment or modification.

ARTICLE IX
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than sixty-seven percent (67%) of Class A Members. Notwithstanding the foregoing sentence, so long as a Class B membership exists, the Association may only be dissolved with the assent given in writing and signed by Declarant, which may be withheld in Declarant's sole and absolute discretion. Upon dissolution of the Association, other than incident to a merger or consolidation, no part of the remaining assets of the Association, after 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 of the Association shall be distributed exclusively to an organization then subject to and qualifying under Section 528 of the Internal Revenue Code of 1986, or to a public body (to the extent permitted under Section 528) as the Association shall elect.

ARTICLE X
INCORPORATOR

The name and address of the Incorporator is as follows:

Carol Grumley
6710 North Scottsdale Road, Suite 150
Scottsdale, Arizona 85253

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

ARTICLE XI STATUTORY AGENT

Carol Grumley, located at is 6710 North Scottsdale Road, Suite 150, Scottsdale, Arizona 85253, is hereby appointed Statutory Agent of the Association upon whom all notices and process, including summons, may be served. The Board may revoke the appointment of such agent at any time and shall have the power to fill any vacancy.

ARTICLE XII DURATION

The duration of the Association shall be perpetual.

ARTICLE XIII CONFLICT WITH DECLARATION

To the extent that these Articles shall be contrary to, inconsistent with, or more permissive than the provisions of the Declaration dealing with the same subject, or laws, rules, and regulations applicable to the Association, these Articles shall be considered superseded by the Declaration or such laws.

ARTICLE XIV AMENDMENTS

Subject to the provisions of Article XIII hereof, so long as any Class B membership still exists, any proposed amendment of the Articles needs to be approved by the Declarant prior to its adoption, which may be withheld in its sole and absolute discretion. After the date in which all Class B memberships are converted into Class A memberships, the Association may, at any regular or special meeting called for such purpose, amend, alter, or repeal any provision hereof by the affirmative vote of sixty-seven percent (67%) of each membership class then entitled to vote in person or by proxy, and upon ten (10) days prior written notice to all first mortgagees who have previously notified the Association in writing, to be notified of any amendment to the Articles and, if required by law, after publications in a newspaper having general circulation in Maricopa County, Arizona. Notwithstanding any foregoing provision, the Articles may not be amended at any time (either before or after the date in which all of the Class B memberships are converted to Class A memberships) to diminish any of the rights of the Declarant under these Articles, the Bylaws of the Association, or the Declaration, including, but not limited to,

Declarant's liability limitations as set forth in Article VII hereof, without the express written consent of Declarant, which may be withheld in its sole and absolute discretion.

ARTICLE XV FHA/VA APPROVALS

As long as there is a Class B membership, the following actions shall require the prior written approval, to the extent then required by applicable regulations of the Veterans Administration or Federal Housing Administration, of the Federal Housing Administration or the Veterans Administration:

1. The annexation of additional properties;
2. A merger or consolidation to which the Association is a party;
3. The mortgage or dedication of all or part of the Common Area, as defined in the Declaration;
4. The dissolution of the Association; or
5. The amendment of these Articles.

Whenever the approval of the Federal Housing Administration or the Veterans Administration is required under this Article, such approval shall be deemed given unless a disapproval or statement requesting additional time is issued by such agency to the Association within thirty (30) days following submission to such agency.

Notwithstanding any other provision of these Articles, the Board, with the consent of the Declarant if Class B Membership still exists, shall have the right to amend all or any part of these Articles to such extent and with such language as may be requested by the Federal Housing Administration, Veterans Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or other governmental or quasi-governmental agency which issues, guarantees, insures or purchases Mortgages (or securities or other debt instruments backed or secured by Mortgages), or otherwise governs transactions involving Mortgages or instruments evidencing same, or otherwise governs development of the Property or the Annexable Property, as a condition to such agency's approval of these Articles, the development encompassing the Property or any subdivision constituting a part of the Property.

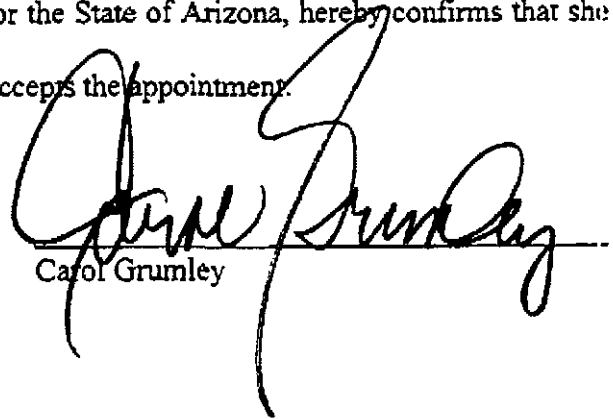


Carol Grumley, Incorporator

CONSENT OF STATUTORY AGENT
OF
CHARLESTON ESTATES HOMEOWNERS ASSOCIATION

The undersigned, having been named in the Articles of Incorporation of Charleston Estates Homeowners Association, as its statutory agent for the State of Arizona, hereby confirms that she has been notified of the appointment and that she accepts the appointment.

Dated as of May 3, 2006



Carol Grumley

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.

Charleston Estates Homeowners Association
EXACT CORPORATE NAME

7. 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

8. 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. | |

9. 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. | |

10. 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 5/3/06
 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.