

ARTICLES OF AMENDMENT
OF
DESERT ANCHOR HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for the purpose of amending the Articles of Incorporation of Desert Anchor Homeowners Association, an Arizona non-profit corporation hereby entirely amends such Articles of Incorporation, as follows:

I

The name of this corporation is: DESERT ANCHOR HOMEOWNERS ASSOCIATION.

II

The purpose for which this corporation is organized is the transaction of any or all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

The general nature of the business to be conducted by this corporation is such that the corporation does not contemplate pecuniary gain or profit to the members thereof, and the purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the Association property, and to promote the health, safety and welfare of the residents within the subdivision and any additions thereto, and for the following purposes:

A. The Corporation shall serve as a homeowners' association for the owners of Lots as more fully set forth in the Declaration of Covenants, Conditions and Restrictions for Desert Anchor Townhouses ("the Declaration"), recorded in the office of the County Recorder of Pima County, Arizona. In furtherance of, and in order to accomplish the foregoing purposes, the association may transact any and all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

B. To make rules and regulations concerning the use, ownership and administration of the property known as Desert Anchor Townhouses.

C. To set forth rules and regulations regarding the levying of monthly assessments on the owners of Desert Anchor Townhouses.

D. To make provision for the maintenance, care and preservation of the property owned in common by the owners of Desert Anchor Townhouses, and to employ all gardeners, workmen, maintenance men, janitors and persons in similar occupations for the maintenance and preservation of the property known as Desert Anchor Townhouses, or to hire or contract with a person or corporation to manage the property and take care of the maintenance, care and preservation of the common property.

E. To do all things necessary and proper incident to or convenient to its power which a private individual might

do and perform, and in general, the association shall have all of those powers provided by law, including those set forth in the Arizona Revised Statutes, as the same may be amended from time to time, and all of those powers necessary or convenient to effect the corporation's purposes as set forth above, including but not limited to, the power to exercise all of the rights and privileges and perform all duties and obligations of the corporation, as set forth in the Declaration as the same may be amended from time to time as provided herein.

III

Notwithstanding any other provisions of these Articles of Incorporation, the corporation shall not conduct any activities not permitted to be conducted by an organization exempt from taxation under Section 528 and described in Section 528(c) of the Internal Revenue Code of 1954, and Regulations applicable thereto, as they now exist or as they may hereafter be amended.

IV

This corporation is organized pursuant to the provisions of Title 10, Chapter 5, Arizona Revised Statutes, as a non-profit corporation, without capital stock or shares. No part of the net earnings of this corporation shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess membership fees, dues, or assessments) to the benefit of any private shareholder or

individual. No member, director, private shareholder, or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation's assets on the dissolution of the corporation. No part of the activities of the corporation shall be carrying on propaganda or otherwise attempting to influence legislation or participating or intervening in (including the publishing of or distribution of statements) any election or political campaign.

V

This is a non-profit corporation, the indebtedness shall not exceed Ten Million Dollars (\$10,000,000.00).

VI

Every person or entity who is a record owner of any Lot in Desert Anchor Townhouses shall be a member of the association, subject to and in accordance with the Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

The corporation shall have two classes of voting membership:

CLASS A: Class A members shall be all dwelling unit owners, with the exception of Declarant as such term is defined in the Declaration, and each Class A member shall be entitled to one vote for each dwelling unit owned. When more than one person holds an interest in any dwelling unit, all such persons shall be members. The voting for such

dwelling unit shall be exercised as such persons among themselves determine, but in no event shall more than one vote be cast with respect thereto. If any owner(s) casts a vote representing a certain dwelling unit, it will thereafter be conclusively presumed for all purposes that such owner (s) was acting with the authority and consent of any other owner (s) of the same dwelling unit.

CLASS B: The Class B member shall, at the inception of incorporation, be Declarant, and shall be entitled to three (3) votes for each dwelling unit owned. The total votes which Declarant shall be entitled to cast may be cast in such proportions on any matter as Declarant may determine. Each Class B membership representing dwelling units owned by Declarant shall cease and be converted to Class A membership, without further act or deed, upon the happening of any of the following events:

(a) Upon the conveyance by Declarant of any particular dwelling unit to an owner, other than in connection with an assignment by Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment by Declarant to any lender as security), with respect to the particular dwelling unit or units so sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(1) Upon the expiration of One Hundred Twenty (120) days following the first date

when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(ii) Five (5) years after the conveyance of the first dwelling unit to a dwelling unit owner other than Declarant.

If any lender to who Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under the Declaration succeeds to the interest of Declarant by virtue of said assignment, the Class B memberships shall not be terminated thereby, and such lender shall hold the Class B memberships on the same terms as such were held by Declarant.

VII

The annual meeting shall be on the third Monday in January.

VIII

The Statutory Agent shall be Jerrold Cohen, 7000 East Tanque Verde Road, Tucson, Arizona 85715.

IX

The private property of the members, officers and directors are forever exempt from the debts and obligations of this corporation, except as otherwise provided herein.

X

The corporation shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the bylaws of the corporation, and

Declarant pursuant to the Declaration, and each of Declarant's directors and officers (collectively "Declarant") against all contractual and other liabilities to others arising out of contracts made by, or other acts of such director(s), officer(s), committee member(s), or Declarant, including but not limited to, judgments paid and satisfied and amounts paid in compromise and settlement, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses, including but not limited to, attorneys' fees reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, committee member or Declarant may be involved by virtue of such person(s) being or having been such director, officer, committee member or Declarant.

XI

There shall be a President, Vice-President, Secretary and a Treasurer. There shall be no less than three (3) and no more than nine (9) Directors, the exact number to be determined by the members at each annual meeting.

The names and addresses of the Directors who shall hold office until their successors have been duly elected and qualified are as follows:

Jerrold Cohen
7000 E. Tanque Verde Rd.
Tucson, Arizona 85715

Edward Chesin
7000 E. Tanque Verde Rd.
Tucson, Arizona 85715

George Holick
7000 E. Tanque Verde Rd.
Tucson, Arizona 85715

XII

The principal place of business of the corporation shall be at 7000 East Tanque Verde Rd, Tucson, Pima County, Arizona. The incorporators of the corporation are: Jerrold Cohen, 7000 East Tanque Verde Road, Tucson, Arizona 85715; Edward Chesin, 7000 East Tanque Verde Road, Tucson, Arizona 85715; and George Holick, 7000 East Tanque Verde Road, Tucson, Arizona 85715.

XIII

The corporation shall exist perpetually unless dissolved in the manner provided herein.

XIV

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. No member, Director, officer, or employee of or member of a committee or person connected with the Association, or any other private individual shall be entitled to share in the distribution of any of the Association assets upon the dissolution of the Association. All members of the Association shall be deemed to have expressly consented and agreed that upon such dissolution or

winding up of the affairs of the Association, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine or may be determined by a court of competent jurisdiction upon application of the Board of Directors, to organizations organized and operated exclusively as a Homeowners Association as defined in Section 528 of the Internal Revenue Code of 1954 (or corresponding provisions of any future United States Internal law) 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 principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

XV

Amendment of these articles shall require seventy-five percent (75%) of the votes entitled to be cast at a meeting called for that purpose and the prior written consent thereto of all first mortgagees.

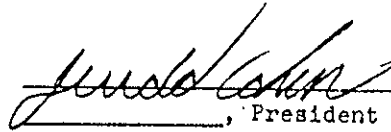
XVI

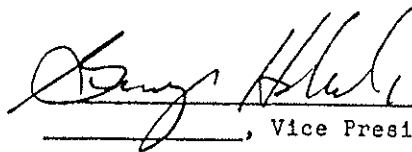
So long as any Class B membership remains outstanding, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

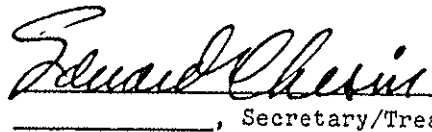
annexation of additional properties, mergers and consolidations, mortgaging of common areas, dedication of common areas, dissolution and amendment of these articles.

Pursuant to a special meeting of the board of directors held on December 30, 1982, the board of directors unanimously approved these articles of amendment.

IN WITNESS WHEREOF, the undersigned have executed these articles of amendment as of this 30th day of December, 1982.


_____, President


_____, Vice President


_____, Secretary/Treasurer

STATE OF ARIZONA)
County of Pima) ss.

The foregoing instrument was acknowledged before me
this 30th day of December, 1982, by Jerrold Cohen, the
President of DESERT ANCHOR HOMEOWNERS ASSOCIATION, an
Arizona non-profit corporation, on behalf of the corporation.

Norma L. James
Notary Public

My Commission Expires:

December 21, 1985

STATE OF ARIZONA)
County of Pima) ss.

The foregoing instrument was acknowledged before me
this 30th day of December, 1982, by George Holick, the
Vice President of DESERT ANCHOR HOMEOWNERS ASSOCIATION, an
Arizona non-profit corporation, on behalf of the corporation.

Norma L. James
Notary Public

My Commission Expires:

December 21, 1985

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STATE OF ARIZONA)
County of Pima) ss.

The foregoing instrument was acknowledged before me this 30th day of December, 1982, by Edward Chesin, the Secretary/Treasurer of DESERT ANCHOR HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, on behalf of the corporation.

Norma L. Gomez
Notary Public

My Commission Expires:
December 21, 1985



STATE OF ARIZONA)
COUNTY OF PIMA) ss.

I hereby certify that the within instrument was filed for record in Pima County, State of Arizona

Witness my hand and Official Seal.

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FORM 4-78



Richard J. Kennedy
Notary Public

No. **4192**
Book 6948 Page 336-347
Date: JAN 14 '83 8 AM
Request of STEWART TITLE & TRUST OF TUCSON
Fee: 12.00

STEWART TITLE & TRUST
OF TUCSON
P. O. BOX 42200 ^{Trust}
TUCSON, ARIZ. 85733 ^{p/c}

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SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF DESERT ANCHOR HOMEOWNERS ASSOCIATION

A special meeting of the board of directors of Desert Anchor Homeowners Association, an Arizona non-profit corporation, was held at Tucson, Arizona on December 30, 1982 at 2:00 p.m.

All directors were present, to wit: Jerrold Cohen, Edward Chesin, and George Holick. The directors, by signing below, indicate that they waive notice of the time, place and purpose of said meeting.

After discussion, upon motion duly made and seconded, it was unanimously:

RESOLVED, that the bylaws of Desert Anchor Homeowners Association adopted on December 10, 1980 are hereby revoked in their entirety and that the proposed bylaws of the corporation, in the form attached hereto as Exhibit "A" and by reference made a part hereof, be and the same are hereby adopted in their entirety as the bylaws of the corporation.

FURTHER, RESOLVED, that articles of amendment in the form attached hereto as Exhibit "B" are hereby unanimously approved and are authorized to be filed with the Arizona Corporation Commission.

There being no further business to come before the meeting, the same was, upon motion duly made and seconded, adjourned.

Edward Chesin
Secretary

APPROVED:

Jerrold Cohen
Jerrold Cohen

Edward Chesin
Edward Chesin

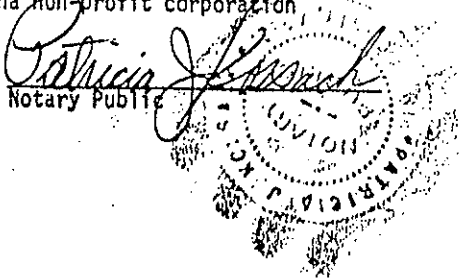
George Holick
George Holick

STATE: ARIZONA }
COUNTY: PIMA } SS

This instrument was acknowledged before me this 13th day of January 1983, by Jerrold Cohen, Edward Chesin and George Holick, directors of Desert Anchor Homeowners Association, an Arizona non-profit corporation

My commission expires:
3/15/84

Patricia J. Krasch
Notary Public



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STATE OF ARIZONA }
COUNTY OF PIMA } ss.

Witness my hand and Official Seal.

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FORM 4-78

I hereby certify that the within instrument was filed for record in Pima County, State of Arizona

Richard J. Kennedy
Richard J. Kennedy
County Recorder
PIMA COUNTY
ARIZONA
Deputy

No. 4193
Book 6949 Page 348-349
Date: JAN 14 '83 8 AM
Request of STEWART TITLE & TRUST OF TUCSON
Fee: 500