

ARTICLES OF INCORPORATION

OF

In compliance with the requirements of Arizona Revised Statutes, Title 10, the undersigned, all of whom are residents of the State of Arizona, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

INCORPORATORS

The names and addresses of the incorporators are:

Michael J. Moore 8911 E. Buckboard, Tucson, AZ 85730

Willis W. Martin 4940 Paseo del Bac, Tucson, AZ 85718

ARTICLE II

The name of the corporation shall be SAGUARO CANYON HOMEOWNERS' ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE III

The principal place of business of the corporation shall be located at 717 S. Alvernon, Tucson, Arizona 85711.

ARTICLE IV

John L. Glatz, whose address is 404 Pima Building, 149 North Stone Avenue, Tucson, Arizona 85701, is hereby appointed the initial Statutory Agent of this Association. The Board of Directors of this corporation may revoke this appointment at any time and shall have full power to fill the vacancy in such position.

ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

Lots 1 and 3, and the Northeast Quarter of the Southwest Quarter of Section 36, Township 14 South, Range 15 East, Gila and Salt River Base and Meridian, Pima County, Arizona. EXCEPT any portion thereof within Houghton Road.

PARCEL 2

The Southeast quarter of Section 36, Township 14 South, Range 15 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT that portion described as follows:

BEGINNING at the Northeast corner of said Southeast quarter of Section 36;

thence North 89 degrees 50 minutes 44 seconds West along the North line of said Southeast quarter, a distance of 1,435.00 feet;

thence South 15 degrees 28 minutes 39 seconds East, 75.80 feet;

thence South 27 degrees 53 minutes 56 seconds East, 397.72 feet;

thence South 76 degrees 31 minutes 36 seconds West, 195.23 feet;

thence South 43 degrees 50 minutes 53 seconds East, 413.68 feet;

thence South 51 degrees 14 minutes 02 seconds East 188.17 feet;

thence North 36 degrees 46 minutes 19 seconds East, 595.53 feet;

thence North 03 degrees 44 minutes 25 seconds East, 225.00 feet;

thence North 48 degrees 20 minutes 25 seconds East, 100.94 feet;

thence South 89 degrees 44 minutes 08 seconds East, 450.00 feet;

thence South 01 degrees 53 minutes 15 seconds West, 194.09 feet;

thence North 89 degrees 50 minutes 44 seconds West, 231.00 feet to a point on the arc of a non-tangent curve concave to the East, a radial line of said curve through said point having a bearing of North 48 degrees 15 minutes 03 seconds West;

thence Southerly along the arc of said curve to the left, having a radius of 260.00 feet and a central angle of 41 degrees 13 minutes 24 seconds for an arc distance of 187.07 feet to a point of tangency;

thence South 00 degrees 31 minutes 33 seconds West along a line tangent to the last described curve a distance of 200.00 feet to a point of curvature of a tangent curve concave to the Northwest;

thence Southerly and Westerly along the arc of said curve to the right, having a radius of 100.00 feet and a central angle of 89 degrees 02 minutes 16 seconds for an arc distance of 155.40 feet to a point of reverse curvature of a tangent curve concave to the South;

thence Westerly along the arc of said curve to the left, having a radius of 125.00 feet and a central angle of 52 degrees 39 minutes 16 seconds for an arc distance of 114.87 feet to a point of compound curvature of a tangent curve concave to the East;

thence Southerly along the arc of said curve to the left, having a radius of 38.00 feet and a central angle of 108 degrees 13 minutes 28 seconds for an arc distance of 71.78 feet to a point compound curvature of a tangent curve concave to the North;

thence Easterly along the arc of said curve to the left, having a radius of 125.00 feet and a central angle of 37 degrees 54 minutes 25 seconds for an arc distance of 82.70 feet to a point of reverse curvature of a tangent curve concave to the South;

thence Easterly and Southerly along the arc of said curve to the right, having a radius of 260.00 feet and a central angle of 95 degrees 16 minutes 03 seconds for an arc distance of 432.31 feet to a point on a non-tangent line;

thence North 89 degrees 57 minutes 47 seconds East, 158.12 feet to the East line of the Southeast quarter;

thence North 00 degrees 10 minutes 46 seconds West along the said East line a distance of 1,070.00 feet to the POINT OF BEGINNING.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter

be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the County Recorder for the County of Pima, State of Arizona, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE VI

MEMBERSHIP

Section 1. There shall be no capital stock of the corporation; participation shall be limited to memberships in the corporation as provided in Section 2 of this Article.

Section 2. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended

to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 3. The rights and privileges of membership are subject to the payment of assessments levied by the corporation, the obligations of which are imposed against each owner of and that can become a lien upon the property against which such assessments are made as provided by the Deed Restrictions to which the Properties are subject.

Section 4. The rights and privileges of a member are automatically suspended when any assessment is delinquent for more than sixty (60) days; however, upon payment of such assessment, together with reasonable costs of collection, interest and attorney's fees either assessed by the Board of Directors or imposed by the Court, the delinquent member shall become a member in good standing and his rights and privileges shall be automatically restored.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine but in no event shall more than one vote be cast with respect to any Lot. Fractional votes shall not be recognized.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on July 1, 1988.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Michael J. Moore	8911 E. Buckboard, Tucson, AZ 85730
Douglass C. Campbell	5161 N. Stonehouse, Tucson, AZ 85715
Frank Haunschild	655 N. Alvernon, Tucson, AZ 85711
Willis W. Martin	4940 Paseo del Bac, Tucson, AZ 85718
Robert Ottosen	11261 E. Via Madre, Tucson, AZ 85730
Jack Moody	7435 E. Sunrise, Tucson, AZ 85713
Jesse Flores	7471 N. Juniper, Tucson, AZ 85741
Terry Klipp	7772 E. Oakwood Place, Tucson, AZ 85715
Gail Barnhill	1735 S. Carthage, Tucson, AZ 85710

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

ARTICLE IX

DISSOLUTION

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. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

DURATION

The corporation shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

ARTICLE XII

FHA/VA APPROVAL

As long as there is a Class B membership, 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 Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XIII

ORGANIZED NOT FOR PROFIT

The corporation is not organized with pecuniary profit as its object and the members thereof shall have no individual interest in any of the property, assets or profits of the corporation.

ARTICLE XIV

LIABILITY OF MEMBERS

The private property of members of the corporation shall forever be exempt from all corporate liabilities and no member or officer shall be individually liable for any liability of the corporation.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 3 day of March 1983.

Michael J. Moore
MICHAEL J. MOORE

Willis W. Martin
WILLIS W. MARTIN

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

The foregoing Articles of Incorporation of Saguaro Canyon Homeowners' Association, Inc. was acknowledged before me by Michael J. Moore and Willis W. Martin as incorporators on the 25 day of MARCH 1983.

My Commission Expires:
12-3-84

Eric M. Carter
Notary Public