

ARTICLES OF INCORPORATION
OF
LA CANADA DESERT HOMES I
Showing Revisions to August, 1995

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, residents of the State of Arizona, members of La Canada Desert Homes I, an unincorporated association, pursuant to the provisions of ARTICLE XVI, Title 10, Arizona Revised Statutes Annotated, do hereby adopt, sign and acknowledge as incorporators of the aforesaid association, the following Articles of Incorporation:

ARTICLE I

NAME

The name of this association shall be:
La Canada Desert Homes I

ARTICLE II

INCORPORATORS

The names, residences and addresses of the incorporators are:

Charles C. Richardson
6325 E. Miramar Drive
Tucson, Arizona 85715

Maxwell J. Cherbonneaux, Jr.
4848 E. Calle Pequena
Tucson, Arizona

ARTICLE III

PLACE OF BUSINESS

The principal office for the transaction of business of the association shall be in Green Valley, Pima County, Arizona.

ARTICLE IV

TIME OF COMMENCEMENT

The duration of the corporation shall be perpetual.

ARTICLE V

PURPOSES AND POWERS

The purposes for which this association is formed and the objects sought to be accomplished by it are as follows:

- (a) The association does not contemplate pecuniary gain or profit, direct or indirect, to its members.
- (b) This association is formed to promote the recreation, health, safety, and welfare of the residents within La Canada Desert Homes I, as recorded in the Book of Maps and Plats, Book 20, Page 87, in the office of the County Recorder, Pima County, Arizona. In support of these purposes and to aid in the accomplishment of the objects for which this association is organized, the association may do any or all of the following:

- (1) Enforce any and all covenants, restrictions, and agreements applicable to any or all lots within the properties.
- (2) Own, acquire, build, operate and maintain, real and personal property including but not limited to recreation parks, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as the common properties and facilities.
- (3) Provide general services, such as fire and police protection, or garbage and trash collection.
- (4) Fix assessments or charges to be levied against the properties of the members.

(5) Pay taxes, if any, on the common properties and facilities.

(6) And, insofar as permitted by law, do any other thing that, in the opinion or the Board of Directors, will promote the common benefit, welfare and enjoyment of the residents of the properties.

(7) The association shall further have the power to do all things necessary, suitable, incidental, proper and advantageous for the accomplishment of any of the purposes or for the attainment of any one of the objects herein enumerated, and is to have the same power in such respects as any ordinary individual might have; and the enumeration of any one or more of the powers set forth in these Articles shall not be construed as a limitation upon the other powers which might be reasonably implied from the language used herein.

ARTICLE VI

MEMBERSHIP

Section 1. There shall be no capital stock of the association; participation in it shall be limited to membership in the association as provided for in Section 2 hereof.

Section 2. Every person or entity, except the developer or developers, who is a record owner of any lot, in fee simple, in any La Canada Desert Homes I subdivision subject to the jurisdiction of this association shall be a member of the association; provided, however, that any person or entity holding an interest merely as security for an indebtedness shall not be a member of this association.

Section 3. A lot owned by more than one person shall be entitled to one vote. Fractional votes shall not be recognized.

Section 4. The rights and privileges of membership are subject to the payment of annual and special assessments

levied by the association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon the property against which such assessments are made as provided by the Deed Restrictions to which the properties are subject, and recorded in the office of the Recorder, Pima County, Arizona.

Section 5. The membership rights and privileges of any person whose interest in the properties is subject to assessments as provided herein, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, rights and privileges shall be automatically restored.

ARTICLE VII

DUES AND ASSESSMENTS

Section 1. Members of the association shall pay an assessment of One Dollar (\$1.00) for the period commencing with the date this association commences business until the first annual meeting, and thereafter in such amount and at such times as fixed and determined by a majority vote of the Board of Directors, subject to approval of a majority vote of the members present in person or by proxy at a special or annual meeting of the membership called and held in accordance with the bylaws of this association.

Section 2. The Board of Directors may assess and levy a special assessment for the purpose of defraying in whole or part the cost of any construction or reconstruction, repair or replacement of the common properties, subject to approval of a two-thirds (2/3) vote of the members present in person or by proxy at a special meeting or annual meeting called for this purpose in accordance with the bylaws of this association, subject, however, to the provisions of Article XIX hereof.

ARTICLE VIII

OFFICERS

The Officers of the association shall consist of a President, a Vice President, a Secretary and a Treasurer, and such other officers as may be determined from time to time by the Board of Directors of the association. Any one or more offices may be held by one and the same person. Such Officers shall be elected at the annual meeting of the Board of Directors.

ARTICLE IX

BOARD OF DIRECTORS

Section 1. The affairs of this association shall be conducted by a Board of Directors consisting of nine (9) persons, one-third (1/3) of said Board to be elected for a term of three (3) years, one-third (1/3) of said Board to be elected for a period of two (2) years, and one-third (1/3) of said Board to be elected for a term of one (1) year, at the first annual meeting of the members from among their number, and at each annual meeting thereafter one-third (1/3) of the number of Directors shall be elected for a term of three (3) years. Such Directors shall serve for the terms for which they are elected or until their successors are elected and qualified.

Section 2. At a pre-organization meeting of the members held on the 7th day of October, 1970, the first Board of Directors was elected to serve until the first annual meeting of the association to be held on the third Monday of April, 1971, to wit:

| | |
|------------------------------|-----------------------|
| Maxwell J. Cherbonneaux, Jr. | Charles C. Richardson |
| 4848 E. Calle Pequena | 6325 E. Miramar Drive |
| Tucson, Arizona | Tucson, Arizona 85715 |

L. A. Jennings, Jr.
2065 E. Malibu
Tempe, Arizona

Section 3. At the annual meeting, to be held on the

first Monday in February each year, at the hour of 2:00 p.m., the Directors shall be elected for the term of office as provided in these Articles

ARTICLE X

LIABILITY

Section 1. The highest amount of liability of the Association, including the principal amount of mortgages outstanding at any time, shall not exceed One Hundred Dollars (\$100.00) times the number of homesites then under the jurisdiction of this association, provided that the authority to exceed said maximum in any particular case shall be subject to the approval of a two-thirds (2/3) vote of the members present in person or by proxy at a special or annual meeting duly called for this purpose, in accordance with the bylaws of this association, subject, however, to the provisions of Article XIX hereof.

Section 2. The association shall have the power to mortgage its properties unless prohibited by the Deed Restrictions applicable to said properties.

ARTICLE XI

ORGANIZED NOT FOR PROFIT

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

ARTICLE XII

LIABILITY OF MEMBERS

The private property of the members of the association shall forever be exempt from corporate debts and no member shall be individually liable or responsible for any debts or liabilities of the association.

**ARTICLE XIII
AMENDMENT OF BYLAWS**

The bylaws of this association may be amended only in accordance with the bylaws and no amendment of the bylaws shall be in direct conflict with the Articles of Incorporation or with the Deed Restrictions applicable to the properties.

**ARTICLE XIV
AMENDMENT TO ARTICLES OF INCORPORATION**

These articles may be amended in accordance with the law, provided that no amendment shall be effective to impair or dilute any rights of members that are governed by the recorded Deed Restrictions applicable to the properties which are a part of the property interest created thereby.

**ARTICLE XV
SALARIES**

No salaries shall be paid to any members of the association except for services actually rendered in carrying out the purpose and powers of the association and the decision of the Board shall be conclusive.

**ARTICLE XVI
MERGER**

Subject to the provisions and conditions of the Deed Restrictions recorded as to La Canada Desert Homes I and to the extent permitted by law, this association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, and subject

to the provisions of Article XIX hereof.

ARTICLE XVII
DEDICATION OF PROPERTIES OR TRANSFER OF
FUNCTION TO PUBLIC AGENCY OR UTILITY

The association shall have power to dispose of its real properties, subject to provisions of the recorded Deed Restrictions applicable to said properties, by dedication or transfer of all or any part of the common properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by members, provided that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by two-thirds (2/3) of the members has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE XVIII
RULES AND REGULATIONS

Section 1. The association may, insofar as permitted by law, establish, modify, alter, and enforce such rules and regulations as may be necessary to promote and sustain the stated objects and purposes for which this association is organized, provided that any such rule may not abrogate any easement, covenant, or restriction imposed on any property by Deed Restrictions of record.

Section 2. Where the conditions imposed by any rule or regulation properly adopted by the association, under procedures and voting requirements set forth in the bylaws of the association, upon the design, character, or use of land, buildings, or structures are more restrictive than comparable conditions imposed on its constituent members by the Deed Restrictions of record, the rule or regulation which is

more restrictive or which imposes higher standards or requirements shall prevail.

ARTICLE XIX
QUORUM REQUIREMENTS

The quorum required for any action governed by Article VII, Section 2, Article X, or Article XVI hereof, shall be as follows:

At the first meeting duly called, the presence of members or of proxies, entitled to cast sixty percent (60%) of the votes of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the same notice requirements as for the preceding meeting, and the required quorum at any subsequent meeting shall be one-half (1/2) of the quorum required at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting

ARTICLE XX
DISSOLUTION

Section 1. The association may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds (2/3) of the votes of the membership. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant) with Section 2 hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

Section 2. Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and

assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the association. No such disposition of association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded Deed Restrictions applicable to the properties unless made in accordance with the provisions of such Deed Restrictions.

ARTICLE XXI

REGISTERED AGENT

Richard Duffield, 3573 East Sunrise Drive, Suite 115, Tucson, Arizona 85718, is hereby appointed the lawful agent of this association.

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: DDA
DEPUTY RECORDER
1969 RDOA



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JOHN M JOHNSON
110 PASEO TERSORO
GREEN VALLEY AZ 85614

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
LA CANADA DESERT HOMES 1

Pursuant to the provision of Title 10, Sections 1034 and 1035, Arizona Nonprofit Corporation Act, the undersigned corporation adopts the attached Articles of Amendment to its Articles of Incorporation.

FIRST : The name of the corporation in LA CANADA DESERT HOMES 1.

SECOND : The document attached hereto as Exhibit "A" sets forth the amendment to the Articles of Incorporation which was adopted by the Board of Directors on February 5, 1996, in the manner prescribed by the Arizona Nonprofit Corporation Act.

THIRD : The resolution of the Board of Directors to amend the Articles of Incorporation was duly adopted by act of the Board of Directors on February 5, 1996, in the manner prescribed by the Arizona Nonprofit Corporation Act.

DATED: *March 25, 1996.*

LA CANADA DESERT HOMES 1

By *Blaine J. Marlow*

President

By *Margaret E. Everett*

Secretary

EXHIBIT "A"

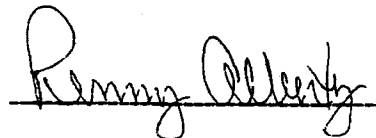
Articles of Amendment
To The
Articles of Incorporation
of
La Canada Desert Homes 1

1. In ARTICLE IX amend Section 1 to read as follows:

The affairs of this Association shall be conducted by a Board of Directors consisting of five (5) persons of said Board, effective February 6, 1997. At each Annual Meeting thereafter there will be alternating annually two (2) and then three (3) of the Directors elected for a term of two (2) years. Such Directors shall serve for the terms for which they are elected or until their successors are elected and qualified.

STATE OF ARIZONA)
COUNTY OF PIMA) SS.

The foregoing instrument was acknowledged before me this 21st day of MARCH 1996, by ELAINE S MARROW and MARGARET E EVERETT, President and Secretary, respectively, of LA CANADA DESERT HOMES 1 on behalf of said corporation.



Notary Public

My Commission expires :
09-25-97

