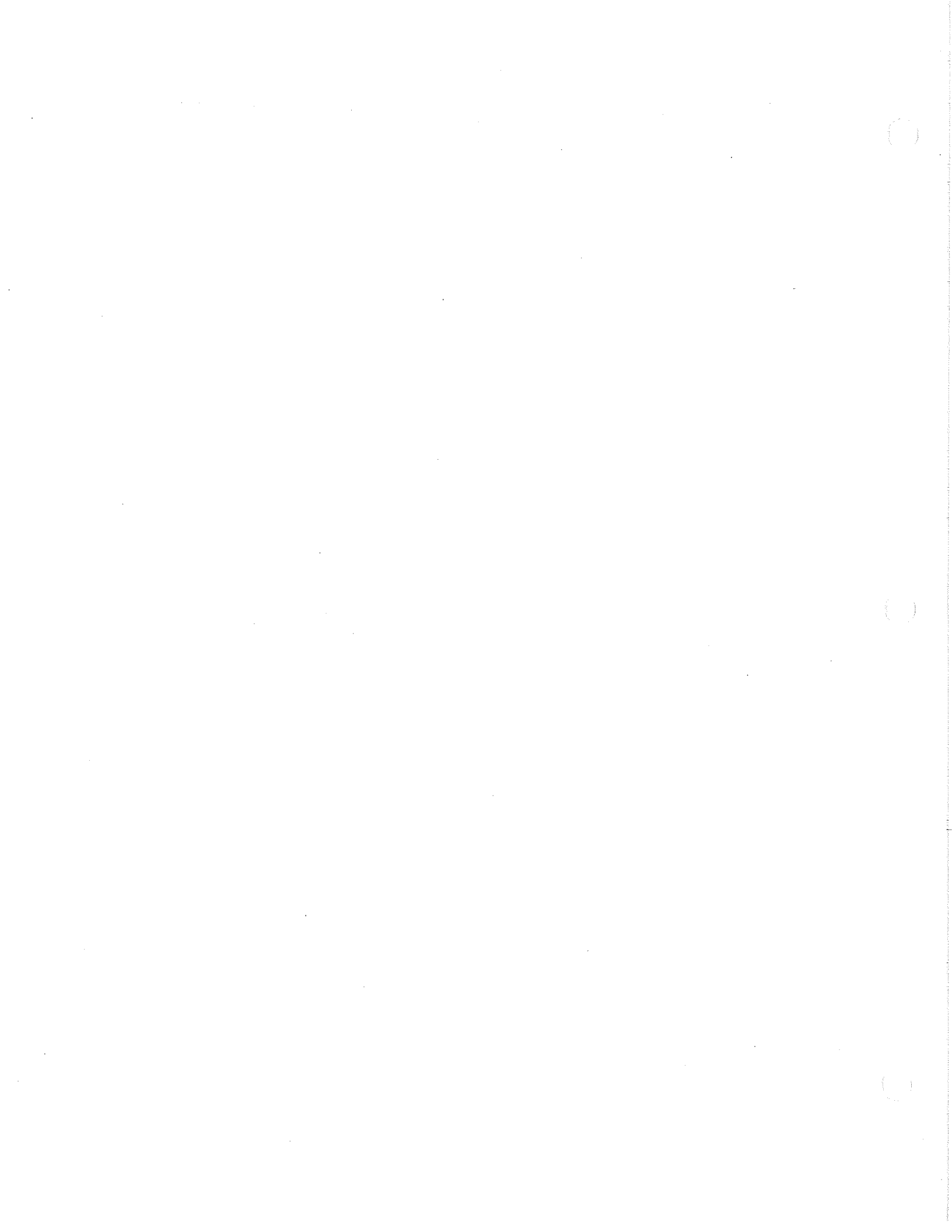




Ventura Canyon Community Association

6600 N. Hole In The Wall Way • Tucson, Arizona 85750 • Phone: (520) 529-9199 • Fax: 529-9168

ARTICLES OF INCORPORATION



SEP 14 11 51 AM '84
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DATE

ARTICLES OF INCORPORATION

OF

AUG 28 10 57 AM '84
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TERM
DATE 9/10/84

THE VENTANA CANYON COMMUNITY ASSOCIATION

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Pursuant to that certain Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, dated June 6, 1984, recorded August 2, 1984, in Docket 37, page 79 in the office of the County Recorder of Pima County, Arizona, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of Arizona Revised Statutes 10-1001 et seq. (the "Act"), the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt the following Articles of Incorporation:

ARTICLE I

DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Declarant" as used herein shall refer to Transamerica Title Insurance Company, as Trustee under Trust Nos. 8153, 8178, 8187, and 8188, and the successors and assigns of Declarant's rights and powers under the Declaration. "Ventana Canyon" as used herein to describe a place shall refer to the real property described in the Declaration as Ventana Canyon.

ARTICLE II

NAME

The name of the corporation is THE VENTANA CANYON COMMUNITY ASSOCIATION, hereafter called the "Association."

ARTICLE III

PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall initially be located at 6501 E. Grant Road, Tucson, Arizona. Thereafter, it is contemplated that the

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principal and known place of business of the Association will be located on Ventana Canyon and a statement setting forth such change of known and principal place of business shall be filed as provided under the Act.

ARTICLE IV

STATUTORY AGENT

Ann M. Leenhouts, Esq, a bona fide resident of the State of Arizona for the last 3 years, whose address is 8257 E. Broadway, Tucson, Arizona, 85731 is hereby appointed the initial statutory agent of the Association.

ARTICLE V

PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. This Association does not contemplate pecuniary gain or profit to the Members thereof. The specific purposes and the initial purpose for which the Association is formed are:

- (a) To encourage and facilitate social and recreational activities for the Owners, Lessees and Residents of Ventana Canyon;
- (b) To provide for the orderly development, maintenance, security, preservation and architectural control, as provided in the Declaration, of Ventana Canyon; and
- (c) To promote the health, safety and welfare of the Owners, Lessees and Residents within Ventana Canyon and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2. Powers. For the purposes set forth in Section 1 above, and subject to any limitations set forth in the Declaration, the Association shall have the power 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 the Declaration, 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 of, 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, guarantee payment or performance of obligations, and 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 Association. Unless otherwise required by zoning stipulations or agreements with the County of Pima effective prior to the date hereof or specified on a recorded subdivision plat, no such dedication or transfer shall be effective unless an instrument has been signed by the Owners of two-thirds (2/3) of the Memberships in each class of Members and recorded agreeing to such dedication, sale or transfer, or such dedication or transfer is to public agencies, authorities or utilities in accordance with the Declaration;

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

(g) Establish and adopt Bylaws, the Ventana Canyon

Rules and other rules and regulations deemed necessary and expedient to carry into effect the objects and purposes of the Association; and

(h) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Act may by law now or hereafter have or exercise.

Section 3. Limitation of Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Association shall inure to the benefit of any Member or individual (other than by promoting social and recreational activities for Members, by acquiring, constructing, or providing management, maintenance, and care of the Common Area, or by a rebate of excess membership dues, fees or Assessments).

Section 4. Character of Affairs. The character of affairs which the Association initially intends actually to conduct in Arizona is to carry out the duties and responsibilities of the Association as set forth in the Declaration, including the providing of an organizational structure for the Members to engage in social and recreational activities, to provide for the operation and maintenance of Common Areas, to levy and collect assessments for the expenses of the Association, and to exert architectural control over the construction and maintenance of improvements on Ventana Canyon.

ARTICLE VI

MEMBERSHIP AND VOTING

Section 1. Owners of Lots and Parcels. Every Owner of a Lot or Parcel which is subject to assessment shall be a Member of the Association. Each such Owner shall be entitled to the following number of memberships:

(a) One (1) Membership for each Lot owned by the Member;

(b) Membership assigned to commercial areas shall be

in accordance with each such Tract Declaration.

(c) In the case of the Owner of a Parcel designated for Condominium Development but as to which a horizontal property regime has not been recorded, one (1) Membership for each Dwelling Unit permitted upon the Parcel under the Master Development Plan then in effect for Ventana Canyon, the number of such Dwelling Units to be determined on the assumption that the number of Dwelling Units within a Density Classification on the Master Development Plan will be spread evenly over all land within the Density Classification. If a site plan for the Parcel is subsequently approved by the Architectural Committee and the County of Pima for a number of Dwelling Units different than the number of Dwelling Units assumed pursuant to the Master Development Plan, the number of Memberships shall be adjusted, as to the portion of the Parcel covered by the site plan and effective as of the date of adjustment, to reflect the actual number of Dwelling Units authorized by the site plan.

(d) In the case of the Owner of a Parcel with a land use classification of Single Family Residential or Cluster Residential, one membership for each Dwelling Unit permitted upon the Parcel under the Master Development Plan then in effect for Ventana Canyon. If a subdivision plat or other instrument creating Lots is recorded covering all or part of the area within the Parcel, the Parcel shall be reduced in size by the area so platted and the number of memberships held by the Owner, as Owner of the Parcel, shall be reduced by a number equal to the number of Lots in the recorded subdivision plat or other instrument. All memberships attributable to the Parcel shall cease when the land area ceases to be a Parcel because all of the area in the Parcel has been platted or otherwise dedicated to the public and no unplatted Single Family Residential or Cluster Residential area remains within the Parcel.

Each such Membership shall be appurtenant to and may not be separated from ownership of the Lot or Parcel to which the Membership is attributable. There shall be only one (1) membership for each Lot, for each Dwelling Unit, and for each acre (or fraction thereof) in a Parcel, which Memberships shall be shared by any joint owners of, or owners of undivided interests in, a Lot or Parcel. Membership assigned to commercial

areas shall be in accordance with each such Tract Declaration.

Section 2. Declarant. The Declarant shall be a Member of the Association for so long as it holds a Class B Membership pursuant to Section 3 below or owns any Lot or Parcel in Ventana Canyon.

Section 3. Voting. The Association shall have two (2) classes of voting Membership:

Class A. Class A Memberships shall be all Memberships, except the Class B Membership held by the Declarant, and each Owner and Lessee shall be entitled to one (1) vote for each Class A Membership held by the Owner or Lessee, subject to the authority of the Board to suspend the voting rights of the Owner or Lessee for violations of the Declaration in accordance with the provisions hereof and the Declaration.

Class B. There shall be one (1) Class B Membership which shall be held by the Declarant and the Class B Membership shall be entitled to three (3) votes for each Class A Membership in existence as long as there is a Class B Vote. The Class B Membership shall cease and be converted to Class A Memberships, on the happening of the first of the following events:

(a) When the Declarant no longer owns property at Ventana Canyon, or

(b) Declarant notifies the Board in writing that the Class B membership is extinguished and records such notice, or

(c) December 31, 1999.

Section 4. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a Membership is owned by more than one (1) person or entity and such owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in

question. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed for all purposes that such Member was acting with the authority and consent of all other owners of the same Membership unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast for a particular Membership, none of the said votes shall be counted and all said votes shall be deemed void.

Section 5. Cumulative Voting for Board Members. In any election of the members of the Board, every owner of a Membership entitled to vote at such an election shall have the number of votes for each Membership equal to the number of directors to be elected, except that the Class B Member shall have the number of votes designated in Section 3 above times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one (1) candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

Section 6. Membership Rights. Each Member shall have the rights, duties and obligations set forth in the Declaration and such other rights, duties and obligations as are set forth in the Articles and Bylaws, as the same may be amended from time to time.

Section 7. Transfer of Membership. Except as otherwise provided in Section 8 of this Article VI, the rights and obligations of the owner of a Class A Membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel and then only to the transferee of ownership to the Lot or Parcel. A transfer of ownership to a Lot or Parcel may be effected by Deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot or Parcel shall operate to transfer the Membership(s) appurtenant to said Lot or Parcel to the new Owner thereof.

Section 8. Use of Membership; Designees. Subject to the Ventana Canyon Rules, all of the owners of a Membership may designate one or more non-members (herein referred to as a

"Designee") to exercise all of the rights of the Member except the Member's voting rights, but such designation shall not relieve the Member of any liabilities or obligations as an Owner with respect to the Membership. So long as such designation is in effect, the Member shall be permitted to exercise only such Member's voting rights and the Board may, among other things, in its discretion, set maximum or minimum periods for which such designation may be in effect and limit the number of persons who may be so designated by any Member at any one time. The Designee need not be a Resident and need not live on Ventana Canyon unless the Board adopts rules requiring such residence.

ARTICLE VII

BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than five (5) nor more than eleven (11) directors who need not be Members of the Association. The names and addresses of the persons who are to serve as directors beginning with the incorporation of the Association until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
William A. Estes, Jr.	8257 E. Broadway Tucson, AZ. 85731
Jon A. Grove	8257 E. Broadway Tucson, AZ. 85731
Kim A. Richards	8257 E. Broadway Tucson, AZ. 85731
Terry Klinger	8257 E. Broadway Tucson, AZ. 85731
Ann M. Leenhouts	8257 E. Broadway Tucson, AZ. 85731

ARTICLE VIII

AMENDMENTS

Section 1. Amendments. The Articles may be amended by the affirmative vote of ninety (90) percent of the votes of Members of the Association cast at a duly called meeting of the Members; provided, however, after twenty (20) years from the date of recordation of the Declaration, the affirmative vote of only seventy-five percent (75%) of the Members casting votes at a duly called meeting of the Members shall be necessary to adopt an amendment to the Articles.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Articles to the contrary notwithstanding, the Board shall have the right to amend all or any part of the Articles to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") and to further amend the Articles to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Articles or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Arizona law. It is the desire of Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of Ventana Canyon and until the Class B Membership ceases pursuant to Article VI, Section 2 above. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions.

ARTICLE IX

DURATION AND DISSOLUTION

The Association shall exist so long as the Declaration is in effect, which shall be for an initial period of twenty (20) years from August 2, 1984, and for successive extension periods of ten (10) years each unless the Declaration is terminated, and the Association dissolved, by the affirmative vote of Members casting not less than ninety percent (90%) of the total votes to be cast at an election held for such purpose within six (6) months prior to the expiration of the initial effective period or any ten (10) year extension period. The

Declaration may be terminated, and the Association dissolved, at any time if ninety percent (90%) of the votes cast by each class of Members shall be cast in favor of termination and dissolution at an election held for such purpose. Anything in the foregoing to the contrary notwithstanding, no vote to terminate the Declaration and this Association shall be effective unless and until the written consent to such termination has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from the holders of Recorded first mortgages or deeds of trust to which the Assessment Lien is subordinate pursuant to Article VIII, Section 3, of the Declaration on seventy-five percent (75%) of the Lots and Parcels upon which there are such Recorded first mortgages and deeds of trust. 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 and acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

INCORPORATOR

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Ann Leenhouts	8257 E. Broadway, Tucson, AZ 85731
Dorothy Lewis	8257 E. Broadway, Tucson, AZ 85731

ARTICLE XI

INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

ARTICLE XII

INDEMNIFICATION

The Association shall indemnify all of its Directors and Officers, and its former Directors and Officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment as a Director or Officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act wilfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Whenever any such present or former Director or Officer shall report to the President of the Association or the Chairman of the Board of Directors that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act wilfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, having executed these Articles of Incorporation the 15th day of August, 1984.

Ann M. Leenhouts
Ann M. Leenhouts

Dorothy Lewis
Dorothy Lewis

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on this 15th day of August, 1984, by Ann M. Leenhouts, who acknowledged herself to be an Incorporator of VENTANA CANYON COMMUNITY ASSOCIATION.

Barbara Odowd
Notary Public

My Commission Expires:
6/10/86

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me on this 15th day of August, 1984, by Dorothy Lewis who acknowledged herself to be an Incorporator of VENTANA CANYON COMMUNITY ASSOCIATION.

Barbara Odowd
Notary Public

My Commission Expires:
6/10/86

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
THE VENTANA CANYON COMMUNITY ASSOCIATION**

Pursuant to the provisions of Arizona Revised Statutes, Section 10-11006, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is The Ventana Canyon Community Association, and its Articles of Incorporation were filed with the Arizona Corporation Commission on August 28, 1984.

SECOND: The document attached hereto as Exhibit "A" sets forth the amendments to the Articles of Incorporation, which amendments were approved by the the vote of the members of the corporation who cast not less than seventy-five percent (75%) of the votes cast at their annual meeting on February 16, 2005.

THIRD: The date of adoption of the amendments is February 16, 2005.

DATED effective as of February 16, 2005.

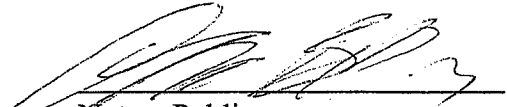
The Ventana Canyon Community Association, an
Arizona non-profit corporation

By 
Its President

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this 23rd day of February, 2005, by Bruce Caruth, as President of The Ventana Canyon Community Association, an Arizona non-profit corporation.

My Commission Expires:


Notary Public

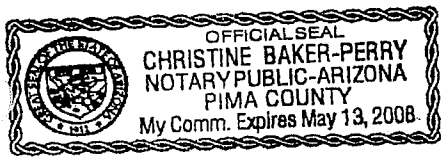


EXHIBIT "A"

**AMENDMENTS TO THE ARTICLES OF INCORPORATION
OF
THE VENTANA CANYON COMMUNITY ASSOCIATION**

Article XII has been amended to read as follows:

ARTICLE XII

INDEMNIFICATION

The Association shall indemnify all of its Directors and Officers, and its former Directors and Officers, and all of its committee members and employees, and its former committee members and employees, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment as a Director or Officer or committee member or employee of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Whenever any such present or former Director or Officer or committee member or employee shall report to the President of the Association or the Chairman of the Board of Directors that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore. These rights of indemnification shall be in addition to and not exclusive of all other rights to which those individuals may be entitled at law or otherwise.

