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ARTICLES OF INCORPORATION
OF
CAÑADA HILLS COMMUNITY ASSOCIATION

OCT 02 1987

ARIZONA CORP. COMMISSION

In compliance with the requirements of Arizona Revised Statutes §10-1001, et seq., as they may be amended from time to time, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a nonprofit corporation, and do hereby certify:

ARTICLE I

NAME

The name of the corporation is Cañada Hills Community Association (the "Association").

ARTICLE II

DEFINED TERMS/CONFLICTING PROVISIONS

Capitalized terms used in these Articles of Incorporation without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, and Restrictions for Cañada Hills recorded on August 5, 1987, with the Recorder of Pima County, Arizona, in Docket No. 8092, Page 888 (the "Declaration"), the terms and provisions of which are incorporated into these Articles of Incorporation by this reference as if set forth herein. In the event of any conflict or inconsistency between the Declaration and these Articles, the Declaration shall control.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 2929 East Camelback Road, Suite 230, Phoenix, Arizona, 85016.

ARTICLE IV

STATUTORY AGENT

Ronald A. Kershaw, Jr., whose address is 3003 North Central Avenue, Suite 2601, Phoenix, Arizona, 85012, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated the initial statutory agent for the Association.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which the Association is organized is to provide for the management, maintenance, and care of the Common Areas and to perform such other duties as are imposed upon the Association under the Declaration. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI

CHARACTER OF BUSINESS

The character of the business that the Association initially intends to conduct in Arizona is to provide for the management, maintenance, and care of the Common Areas and to exercise and perform such other powers and duties as are imposed upon or granted to the Association under the Declaration.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

Membership in the Association shall be limited to the Owners. Each Owner shall have such rights, privileges, and votes in the Association as are set forth in the Declaration.

ARTICLE VIII

BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association, who shall serve as directors until the first annual meeting of the Members or until their successors are elected and qualified, are as follows:

<u>Name</u>	<u>Mailing Address</u>
Daniel W. Hill	7634 Las Brisas Lane Paradise Valley, Arizona 85253
Anne L. Hill	7634 Las Brisas Lane Paradise Valley, Arizona 85253
Craig L. Krumwiede	1930 East Claremont Phoenix, Arizona 85016

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend, or repeal the Bylaws is reserved to the Members except that the Board of Directors, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, and the Veterans Administration.

ARTICLE IX

OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Board of Directors and until their successors have been elected and qualified:

Daniel W. Hill	President
Craig L. Krumwiede	Vice-President
Martin S. Kenney	Secretary/Treasurer

ARTICLE X

DISSOLUTION

The Association may be dissolved by the adoption of a resolution to dissolve by the Board of Directors, which resolution to dissolve shall be adopted by the Class B Member, if any, and at least seventy-five percent (75%) of the Class A Members other than Declarant then entitled to vote at an election held for such purpose. Upon any dissolution of the Association, other than incident to a merger or a consolidation, the assets of the Association shall be dedicated, granted, conveyed, or assigned to any nonprofit corporation, association, trust, or other organization designated by the Members approving the dissolution as being the entity that will thereafter perform the duties and obligations of the Association under the Declaration.

ARTICLE XI

AMENDMENTS

These Articles of Incorporation may be amended by Members representing at least seventy-five percent (75%) of the total votes then entitled to be cast by each class of Members except that the Board of Directors shall have the right to amend these Articles of Incorporation in order to conform these Articles of

Incorporation to the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, and the Veterans Administration.

ARTICLE XII

DURATION

The Association shall exist perpetually.

ARTICLE XIII

FHA/VA APPROVAL

As long as there is a Class B Member, the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration: (i) annexation of additional properties; (ii) mergers and consolidations; (iii) mortgaging of Common Areas; (iv) dissolution of the Association; and (v) amendment of these Articles of Incorporation.

ARTICLE XIV

INCORPORATOR

The names and addresses of the incorporators of this Association are:

<u>Name</u>	<u>Mailing Address</u>
Craig L. Krumwiede	1930 East Claremont Phoenix, Arizona 85016
Martin S. Kenney	7557 North Dreamy Draw Drive Unit #169 Phoenix, Arizona 85020

ARTICLE XI

LIABILITY OF DIRECTORS

In accordance with Arizona Revised Statutes §10-1029, the directors of this Association shall not be liable for monetary damages to the Association or its shareholders for breach of fiduciary duty as a director except as follows:

(a) Any breach of the director's duty of loyalty to the Association or its members;

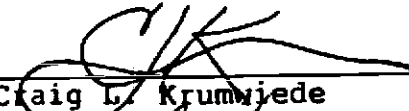
(b) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;

(c) A violation of Arizona Revised Statutes §10-1026, et.seq.

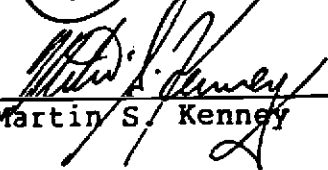
(d) Any transaction from which the director derived an improper personal benefit; or,

(e) A violation of Arizona Revised Statutes §10-1097, et.seq.

Dated this 22 day of September, 1987.




Craig L. Krumwiede



Martin S. Kenney

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30th day of September, 1987, by Craig L. Krumwiede, as an incorporator of Canada Hills Community Association, an Arizona nonprofit corporation.



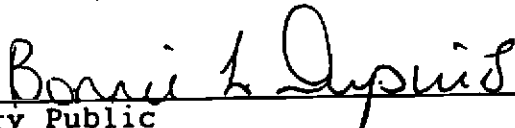
Notary Public

My Commission Expires:

11/14/88

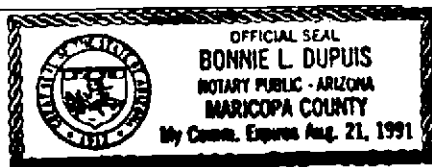
STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 22nd day of September, 1987, by Martin S. Kenney, as an incorporator of Canada Hills Community Association, an Arizona nonprofit corporation.



Notary Public

My Commission Expires:



CONSENT TO ACT AS STATUTORY AGENT

I, Ronald A. Kershaw, Jr., having been designated to act as Statutory Agent for Canada Hills Community Association, an Arizona nonprofit corporation, hereby consent to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.


Ronald A. Kershaw, Jr.

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