

ARTICLES OF AMENDMENT

to the

ARTICLES OF INCORPORATION OF
CIMARRON FOOTHILLS COMMUNITY ASSOCIATION, INC.

1. Pursuant to ARS §§ 10-1033 et seq., this corporation hereby amends its Articles of Incorporation dated December 13, 1973 as follows:

A. Article V is deleted in its entirety and replaced with the following:

ARTICLE V

This corporation shall have perpetual duration.

s B. Article VI is deleted in its entirety and replaced with the following:

ARTICLE VI

1. The affairs, business and property of the corporation shall be managed and controlled by a Board of Directors of not less than five (5) nor more than eleven (11) Directors who shall all be elected from the membership. The precise number of Directors may be determined by a majority vote of the membership at a membership meeting.

2. The directors shall meet not less than monthly unless otherwise specified in the Bylaws and a membership meeting shall be held not less than annually as further specified in the Bylaws. The time and place of the annual membership meeting shall be specified in the Bylaws.

3. The Directors' term of office shall be as specified in the Bylaws. Directors shall be elected by a majority vote of the membership present at a meeting called for that purpose and shall serve for the duration of their terms or until their successors are duly elected.

4. In case of any vacancy on the Board of Directors through death, resignation, disqualification or other cause, the vacancy shall be filled by a vote of the remaining members of the Board of Directors and the successor elected to fill such vacancy shall hold office for the unexpired term or until the election and qualification of his successor.

5. The Board of Directors shall have the power to adopt, amend and rescind Bylaws for the governance of the corporation, to fill vacancies occurring in the offices of the corporation from any cause, and to designate such powers and duties for said officers as they may prescribe.

6. The officers of the corporation shall consist of a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may from time to time elect. The officers shall be elected by the Board of Directors at the first meeting of the Board after the meeting of the members which elected the Directors and said officers shall hold office for the term specified in the Bylaws and until their successors have been elected and qualified.

2. Except as set forth in the foregoing amendments, all other portions of the Articles of Incorporation shall remain as originally enacted.

3. The foregoing amendments were adopted June 17, 1995.

4. The foregoing amendments were duly adopted by an affirmative vote of the membership who were the owners of more than 75% of the lots located in Cimarron Foothills Estates in the manner required by the Articles and by Arizona statutes.

Dated this 24th day of July, 1995.

Cimarron Foothills Community Association, Inc.

Max M. Angle
MAX M. ANGLE, President

Mark R. Chamberlin
MARK R. CHAMBERLIN
Secretary/Treasurer

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing Articles of Amendment were acknowledged before me this 24th day of July, 1995, by MAX M. ANGLE, President, and MARK R. CHAMBERLIN, Secretary/Treasurer, both as officers and in behalf of Cimarron Foothills Community Association, Inc.

Annus Baldwin
Notary Public
My commission expires: JUN 14 1996

F. PINN RODRIGUEZ, RECORDER
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HOWARD BALDWIN
22 E UNIVERSITY BLVD
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ARTICLES OF INCORPORATION

of

CIMARRON FOOTHILLS COMMUNITY ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a nonprofit corporation under the laws of the State of Arizona, and to that end do hereby adopt the Articles of Incorporation as follows:

ARTICLE I

NAME AND PRINCIPAL PLACE OF BUSINESS

The name of this corporation shall be CIMARRON FOOTHILLS COMMUNITY ASSOCIATION. The principal place for the transaction of the business of this corporation shall be Pima County, Arizona, or such other places as the Board of Directors may from time to time determine, but this corporation may do and transact business and its Board of Directors may meet at such other place or places within or without the State of Arizona as may be convenient or necessary for the conduct of the business of the corporation.

ARTICLE II

INCORPORATORS

The names, residences and post office addresses of the incorporators are as follows: Harry H. Lynch, 6222 De Loache, Dallas, Texas, 75225; William W. Lynch, Sr., 3941 Glenwick Lane, Dallas, Texas, 75205; William W. Lynch, Jr., 3604 Haynie Avenue, Dallas, Texas, 75205; Jack F. Maddox, 929 E. Green Acres Drive, Hobbs, New Mexico, 88240.

ARTICLE III

PURPOSES

The general nature of the business to be transacted by this corporation shall be to promote and develop the common good and social welfare of the owners of lots and parcels in the community of

CIMARRON FOOTHILLS ESTATES and its environs. The term "owners of lots and parcels" of CIMARRON FOOTHILLS ESTATES as used in this Article III shall be deemed to include the immediate families of such owners. The term "CIMARRON FOOTHILLS ESTATES community" is deemed to mean that tract of land in Pima County, Arizona, presently consisting of approximately Five Hundred Seventeen (517) acres of land, more particularly described as follows:

Parcel 1:

The South half of Section 12, Township 13, South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT the East 30 feet and the West 75 feet;

AND ALSO EXCEPT any part lying within Sunrise Drive;

AND FURTHER EXCEPT all coal and other minerals as reserved in the Patent from the United States of America, recorded March 16, 1932, in Book 164 of Deeds at Page 21.

Parcel 2:

All that part of the North half of the North half of Section 13, Township 13 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona, lying Northerly of Sunrise Drive as established in Book 9 of Road Maps at Page 16 thereof;

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America, recorded March 16, 1932, in Book 164 of Deeds at Page 21.

Parcel 3:

Lots 3 and 4 and the East half of the Southwest Quarter of Section 7, Township 13 South, Range 15 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT the South 75 feet of said Lot 4 and the East half of the Southwest Quarter of said Section 7;

ALSO EXCEPT the West 30 feet of said Lots 3 and 4 of Section 7;

AND ALSO EXCEPT all coal and other minerals as reserved in the Patent from the United States of America, recorded August 22, 1935, in Book 185 of Deeds at Page 461.

A portion of said real property has heretofore been subdivided into Lots 1 through 97, Cimarron Foothills Estates, a subdivision of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 25 of Maps and Plats at Page 43 thereof, being a portion of the Southwest Quarter of Section 12 and a portion of the Northwest Quarter of Section 13, all in Township 13 South, Range 14 East, G. & S. R. B. & M., Pima County, Arizona.

It is contemplated that all or a portion of the remainder of the real property will be duly subdivided in the future in two or more phases.

Anything herein to the contrary notwithstanding, in the event a portion of said real property is subjected to a townhouse development and/or a horizontal property regime, the portion thereof so developed shall be deemed excluded from CIMARRON FOOTHILLS ESTATES community.

Provided, however, only those portions of the above described property as shall hereafter be actually subject to The Declaration of Establishment of Conditions, Reservations and Restrictions for Cimarron Foothills Estates supporting and benefiting this corporation, together with any additional land in the county, which may hereinafter be subjected to such Conditions, Reservations and Restrictions supporting and benefiting this corporation and adopted by resolution of the Board of Directors of the corporation, shall be considered as the community of CIMARRON FOOTHILLS ESTATES and the proper object of the powers and purposes of the corporation.

Without limiting the foregoing general statement of purpose, the corporation shall have the following specific purposes:

- (1) To aid, promote, and provide for the establishment, advancement and perpetuation of any and all utilities, systems, services, and facilities within Cimarron Foothills Estates which tend to promote the general welfare of its owners with regard to health, safety, education, culture, recreations, comfort or convenience to the extent and in the manner deemed desirable by the Board of Directors.
- (2) To operate and maintain or provide for the operation and maintenance of any properties which may be from time to time designated or conveyed to the corporation for the operation and maintenance as areas serving the general welfare of CIMARRON FOOTHILLS ESTATES and the owners thereof with regard to health, safety, education, culture, recreation, comfort and convenience.
- (3) To enforce all covenants, restrictions, servitudes, profits, licenses, conditions, agreements, easements and liens established for the support and/or benefit of the corporation, or which it may be legally entitled to enforce, and to disburse and use proceeds of any such charges and to use and disburse any funds which may come into the hands of the corporation for the promotion of any and all of the purposes of the corporation in a lawful manner determined by the Board of Directors.
- (4) To do any and all lawful things and acts that the corporation may from time to time, in its discretion, deem to be for the benefit of CIMARRON FOOTHILLS ESTATES and the owners thereof or advisable, proper or convenient for the promotion of the interests of said owners with regard to health, safety, education, culture, recreation, comfort or convenience of such community.

The corporation will take action to accomplish the foregoing purposes only when and if such action appears, in the sole and absolute discretion of the Board of Directors, to be desirable and feasible.

ARTICLE IV

MEMBERSHIP

Section 1. General Provisions. This shall be a non-stock corporation. Membership in this corporation shall be evidenced by a certificate of membership in the form and context as fixed by the Bylaws of this corporation. No part of the net income of this corporation shall inure to the benefit of any member, and no member, officer or employee of the corporation shall receive any pecuniary profit of any kind therefrom except reasonable compensation for services in effecting one or more of its purposes, and no dividend or pecuniary profits shall be declared or paid to any members of the corporation.

Section 2. Membership. The developer, Cimarron Properties Company, a general partnership, the beneficial owner of said real property described in Article III, and every person or entity who is the owner of a fee or of the equitable title in a lot or living unit when purchasing under a contract pursuant to the provisions of any recorded instrument shall be a member of the corporation subject to the provisions of Section 3 of this Article. For the purpose of determining membership, such ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by a vendor selling under a contract shall not qualify such vendor for membership. Foreclosure or forfeiture of a contract or repossession for any reason of a lot or unit sold under contract shall terminate the vendee's membership, whereupon all rights to such membership shall revert to the vendor. A member's membership in the corporation shall cease when he sells the property in Cimarron Foothills Estates, the ownership of which entitled him to membership.

Section 3. Voting Rights. Members shall be all the owners as defined in Section 2 of this Article, including the developer. All members collectively owning one lot or living unit shall be entitled to one (1) vote for each such lot or living unit in which they hold the interest required for membership by Section 2 as shown by the records of the corporation as of the last day of the third month preceding the next membership annual or special meeting. When more than one person holds such interest or interests in any lot or living unit, all such persons shall be members and the vote for such lot or living unit shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast with respect to any such lot or living unit.

For the purpose of determining the votes allowed under this Section, when living units are counted, the lot or lots upon which such living units are situated shall not be counted.

The developer, in addition to the voting rights it shall have by reason of its ownership of lots, shall be entitled to the voting rights to elect three members of the Board of Directors as provided in Article VI until all of the real property described in Article III has been subdivided (except that portion thereof, if any, that may be subjected to a townhouse development and/or a horizontal property regime or is used for common or recreational areas) and when seventy-five percent (75%) by number of all lots then subdivided have been sold.

The term lots or living units as used in this Article IV shall be deemed to mean duly subdivided lots or living units on duly subdivided lots and shall not be deemed to mean any unsubdivided portion of said real property, but nothing herein shall reduce the voting rights of the developer as herein provided.

Section 4. Suspension of Membership Rights. The membership rights (including voting rights) of any Member may be suspended by action of the Board of Directors if such Member shall have failed to pay when due any assessment or charge lawfully imposed upon him or any property owned by him, or if the Member, his family, his tenants, or guests of any thereof, shall have violated any rule or regulation of the Board regarding the use of any property in Cimarron Foothills Estates or conduct with respect thereto.

ARTICLE V

DURATION

The time of the commencement of this corporation shall be the date of the issuance to it of a Certificate of Incorporation by the Arizona Corporation Commission, and the termination thereof shall be twenty-five (25) years from and after said date with the privilege of renewal as provided by law.

ARTICLE VI

DIRECTORS AND OFFICERS

The affairs, business and property of the corporation shall be managed and controlled by a Board of Directors not less than three (3) nor more than eleven (11). The initial Board of Directors shall consist of five (5) directors who shall hold office until the election of their successors at the first annual meeting to be held on the last Friday in January, 1975, at the principal office of the corporation in Pima County, Arizona. Annual meetings of the members shall be held on the last Friday of January of each year thereafter at the principal office of the corporation in Pima County, Arizona. The initial Board of Directors shall be elected by Cimarron Properties Company, the developer of Cimarron Foothills Estates, as the sole beneficial owner of said real property.

Beginning with the first annual meeting to be held on the last Friday in January, 1975, and continuing until all of the real property described in Article III has been subdivided (except that portion thereof, if any, that may be subjected to a townhouse development and/or a horizontal property regime or used for common or recreational areas) and when seventy-five percent (75%) by number of all lots then subdivided have been sold, there shall be five members on the Board of Directors, one of whom shall be a partner in the partnership of Cimarron Properties Company, the developer, and shall be designated by such partnership, two of whom shall be designated by Cimarron Properties Company, and two elected by the remaining members of the corporation. Thereafter, all of the directors shall be elected by a majority vote of those members eligible to vote at an annual meeting of the members. Each director elected at an annual meeting shall hold office until the next annual meeting of the members and

until his successor has been elected and qualified; provided, however, that until the first annual meeting of the members of the corporation, or until their successors are elected, the Board of Directors shall consist of the following persons: Harry H. Lynch, William W. Lynch, Sr., William W. Lynch, Jr., William G. Pickens and Joseph R. Gazik, who were elected at a meeting held at 1710 Jackson Street, Dallas, Texas, on September 8, 1973. Those directors designated by Cimarron Properties Company need not be members and all other directors shall be members of this corporation. At such time as Cimarron Properties Company is no longer entitled to designate members on the Board, the members shall have the power to increase or decrease the number of Directors within the limits set forth in this Article VI at any annual meeting of the members.

In case of any vacancy on the Board of Directors through death, resignation, disqualification or other cause, if the vacancy pertains to a member designated by Cimarron Properties Company, that Company shall designate a successor. If the vacancy pertains to any other member of the Board of Directors, the vacancy shall be filled by the remaining members of the Board of Directors and the successor elected to fill such vacancy shall hold office for the unexpired term or until the election and qualification of his successor.

The Board of Directors shall have the power to adapt, amend and rescind Bylaws for the government of the corporation, to fill vacancies occurring in the officers of the corporation from any cause, and to designate such powers and duties for said officers as they may prescribe.

The officers of the corporation shall consist of a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may from time to time elect. After Cimarron Properties Company is no longer entitled to designate members on the Board, the President and Vice President shall be selected from among the members of the Board of Directors and the remaining officers need not be directors. The officers shall be elected by the Board of Directors at the first meeting of the Board after the annual meeting of the members and said officers shall hold office for one year and until their successors have been elected and qualified. The first officers of the corporation shall be elected by the Board of Directors at their first meeting following the incorporation, and so long as Cimarron Properties Company is entitled to designate any members of the Board of Directors, the officers need not be members of the Board of Directors.

ARTICLE VII

DEBT LIMITATION

The highest amount of indebtedness or liability, direct or contingent, to which this corporation may at any time subject itself shall be as determined by the Board of Directors, but in no event shall exceed ONE MILLION DOLLARS (\$1,000,000.00).

ARTICLE VIII

ASSESSMENTS

Members of this corporation shall be required to pay such assessments as shall be required by any applicable Declaration of Establishment of Conditions, Reservations and Restrictions pertaining to the property of the members.

ARTICLE IX

PRIVATE PROPERTY EXEMPTION

The private property of each and every member, officer and director, real and personal, tangible and intangible, now owned or hereafter acquired by such member, officer or director, is and shall be forever exempt from all debts, liabilities and obligations of this corporation, and no property of any kind whatsoever of any member, officer or director of this corporation, shall be subject at any time to any corporation liability or obligation whatsoever.

ARTICLE X

AMENDMENT

Cimarron Properties Company, a general partnership, as the sole beneficial owner of all of the real property described in Article III, or its successors or assigns, shall have the right from time to time to amend these Articles of Incorporation until such time as all of the real property described in Article III has been subdivided (except that portion thereof, if any, that may be subjected to a townhouse development and/or a horizontal property regime or is used for common or recreational areas) and when seventy-five percent (75%) by number of all lots then subdivided have been sold. The term "successors or assigns" as used herein shall not be deemed to mean owners of individual lots or dwelling units who have purchased the same or an interest therein or whose predecessors in interest have purchased lots or dwelling units or an interest therein from Stewart Title & Trust of Tucson, an Arizona corporation, as Trustee under Trust No. 1095, its successors or assigns. Thereafter, these Articles of Incorporation may be amended upon the affirmative vote for such an amendment of the owners of not less than seventy-five percent (75%) of the lots or dwelling units in Cimarron Foothills Estates. Otherwise these Articles of Incorporation may be amended as provided in Arizona Revised Statutes, Section 10-452, as said statute may be from time to time amended.

ARTICLE XI

STATUTORY AGENT

WILLIAM G. PICKENS, of Tucson, Pima County, Arizona, who has been a bona fide resident of Pima County, Arizona, for more than three years last past, is hereby appointed the lawful statutory agent of this corporation in the State of Arizona, for and on behalf of this corporation, to accept and acknowledge service of all necessary processes and for all purposes required by law. The Board of Directors is authorized and empowered to revoke said appointment at any time and to make or cause to be filed the appointment of another agent, and in case of any vacancy in said appointment to fill the same at any meeting of the Board of Directors.