VILLA MONTEREY RECREATIONAL ASSOCIATION

(an association of property owners within Villa Monterey, Unit II subdivision)

A 55 PLUS COMMUNITY

7701 East Coolidge St.
Scottsdale, AZ 85251
Sales Principals & Agents Contact Information

Amended and Restated
Articles of Incorporation
of
Villa Monterey Recreational Association
Recorded 08/02/04

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
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Villa Monterey Recreational Assn.
7701 East Coolidge St.
Scottsdale, AZ 85251

(Above space for Recorder's use only)

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF VILLA MONTEREY RECREATIONAL ASSOCIATION

WHEREAS the names of the original incorporators and directors were:

James Powers of Phoenix, Arizona;
William H. Rehnquist of Phoenix, Arizona; and
Frederick O. Robertshaw of Phoenix, Arizona.

The above named incorporators and directors were duly elected at the meeting held for that purpose on April 10, 1962, at Room 714 of 2727 North Central Avenue, Phoenix, Arizona; and

WHEREAS the original Articles of Incorporation dated May 4, 1962 were filed with the Arizona Corporation Commission on May 4, 1962 and recorded May 4, 1962 in Docket #4131 at page 312 in the office of the County Recorder of Maricopa County, Arizona, with amendments thereto being filed with the Arizona Corporation Commission on May 19, 1966 and December 20, 1971 and recorded in Docket #6054 at page 531 in the office of the County Recorder of Maricopa County, Arizona on May 19, 1966 and in Docket #9133 at page 119 on December 20, 1971.

NOW THEREFORE

We, Signe Leininger and William Hoffmann, as the duly elected and qualified President and Secretary, respectively, of Villa Monterey Recreational Association, an Arizona nonprofit corporation, hereby certify, acknowledge and attest that at a meeting of the Directors of said corporation, held on the 10th day of July, 2004 at 10:00 A. M. at 7701 East Coolidge St.. Scottsdale, Arizona, a resolution was adopted amending and restating the Articles of Incorporation in their entirety as follows:

ARTICLE I
NAME OF CORPORATION

The name of the association is **VILLA MONTEREY RECREATIONAL ASSOCIATION.**

ARTICLE II
PLACE OF BUSINESS

The principal place of business shall be in Scottsdale, Maricopa County, Arizona, but other offices may be maintained within the State of Arizona at such places as the Board of Directors may designate, where meetings of members and directors may be held.

ARTICLE III
PURPOSE OF ORGANIZATION

This association is not organized for business purposes, nor is it organized for the purpose of gaining pecuniary profit. No part of the net earnings, if any, of said association shall inure to the benefit of any members, nor to any other person.

ARTICLE IV
NATURE AND SCOPE OF ASSOCIATION

The general nature of the objects, purpose and scope of this association shall be:

To hold title to any lands from time to time acquired by it within VILLA MONTEREY UNIT TWO, a subdivision of Maricopa County, Arizona;

To purchase, lease or sublease any of the subdivided lots within the subdivision;

To pay all real estate taxes which may be assessed against and levied on said lands;

To repair, maintain, rehabilitate and restore any real property within the subdivision, and the exterior of any improvements located thereon;

To approve or disapprove any and all changes in occupancy or ownership of the subdivided parcels within said subdivision; any and all changes or alterations in the exterior of residences situated on parcels located within the subdivision; any and all major changes in the landscape design in the subdivision; the erection of any and all new structures of any character, including residences, swimming pools and their appurtenances;

To file liens upon the subdivided parcels within said VILLA MONTEREY UNIT TWO to secure the payment of obligations due from the owner to the Association, and to collect,

foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and do all other things necessary to the filing, maintenance, enforcement, and discharge of said liens;

To take any action necessary to enforce these covenants, restrictions, reservations and conditions which at present effect or in the future will affect the property within said VILLA MONTEREY UNIT TWO.

To do all other things necessary, appropriate or convenient in the furtherance of any of the foregoing.

The foregoing paragraphs shall be construed as the objects, purposes and powers of this association, and it is expressly intended that said objects, purposes and powers shall not be limited or restricted by reference to or inference from the terms of any other clause, term or paragraph herein contained.

ARTICLE V
MEMBERSHIP IN CORPORATION

Shares of stock shall not be issued to members of the association. The owner(s) of each parcel within Villa Monterey Unit II represents one corporate member and is entitled to one vote.

ARTICLE VI
BOARD OF DIRECTORS, NUMBER, ELECTION AND TERM OF OFFICE

The management of said association is vested in a Board of Directors. The Board of Directors shall be composed of not less than five (5) nor more than nine (9) association members as may be provided by the By-laws of the Corporation or as shall from time to time be determined by the Board of Directors of the Corporation, and in the absence of such determination there shall be seven (7) directors. Directors of the association shall be owners of record of lots in VILLA MONTEREY UNIT TWO. The term of office of a Director is two years. A Director shall serve no more than three consecutive terms in office. He/she shall then wait a period of twelve (12) months before being again eligible for nomination.

The Board of Directors shall compile a list of candidates for election to the Board of Directors shall be made each year in accordance with the Bylaws of the Corporation.

Each member of the Association is entitled to vote for either three or four candidates, depending upon the number to be elected in any given year. Each member is entitled to only one (1) vote per candidate. At the conclusion of the voting, the three or four candidates with the most votes become the new Directors and begin serving a two-year term, however, in any year when the number of names submitted for election is only equal to or less than the vacant number of seats on the Board of Directors, no election shall be necessary and the persons whose names

are submitted on the list of candidates shall automatically become members of the Board of Directors.

A Director may be removed from office by a majority vote of association members at a meeting called for that purpose in accordance with the Bylaws and the laws of the State of Arizona.

A vacancy occurs upon the death, resignation or removal from office of a Director. Vacancies in the Board of Directors may be filled by appointment by the remaining directors, and the person so chosen to fill a vacancy shall serve during he unexpired term of his predecessor and until his successor shall be elected and qualified.

ARTICLE VII
ANNUAL MEETINGS

The annual meeting and special meetings of the members of the association shall be held at such time and place and in such manner as determined by the board of directors and prescribed by the by-laws of the association.

ARTICLE VIII
OFFICERS OF BOARD OF DIRECTORS

The officers of the association 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 selected from among the members of the Board of Directors and shall be elected by the Board of Directors at a meeting of the Board not more than 10 days after the annual meeting of members. Said officers shall hold office for one (1) year and until their successors have been elected and qualified.

ARTICLE IX
COMMENCEMENT OF CORPORATION/DURATION

The time of commencement of this association was May 4, 1962 with a certificate of renewal for an indefinite period of time having been filed.

ARTICLE X
INDEBTEDNESS

The highest amount of indebtedness or liability direct or contingent to which this association is any time to subject it self is such amount as shall be computed by the Board of Directors in conformity with and in the manner prescribed by the bylaws, but such indebtedness or liability at no time shall exceed the sum of $100,000.00.

ARTICLE XI
FEE, ASSESSMENTS & DUES

Members may be required to pay such reasonable fees, assessments or dues annually or at other stated times as may be required by the bylaws.

ARTICLE XII
PRIVATE PROPERTY EXEMPT

The private property of the incorporators, members, Directors and officers of this association shall be forever exempt from corporate debts and liabilities.

ARTICLE XIII
BYLAWS

The bylaws which control the duties of the officers and regulate the affairs of the association, including the obligations of the members of the association members may be amended or changed by a vote of a majority of the members, in person or by proxy, attending a meeting for such purpose.

ARTICLE XIV
REGISTERED AGENT

RICHARD OLSEN, of Scottsdale, Arizona, who has been a bona fide resident of the State of Arizona for at least three (3) years, is hereby appointed the lawful agent of this association to act and acknowledge service and upon whom may be served all necessary process or processes in any action, suit or proceedings that may be brought against this association in any of the courts of the State of Arizona; and for all purposes required by law the Board of Directors of this association may recall the appointment of this agent at any time and shall have the power to fill any vacancy in such position.

ARTICLE XIV
FISCAL YEAR END

The Association shall have its fiscal year end on December 31st.

ARTICLE XV
AMENDMENTS

These Articles of Incorporation may be amended as provided in Arizona Revised Statutes, Sections 10-11001 through 11004, as the same may be amended or revised.

IN WITNESS WHEREOF, the aforesaid President and Secretary of the Corporation have hereunto set their hands this 12th day of July, 2004.

Signe Leininger

Signe Leininger, President

ATTEST:

William C. Hoffman

William Hoffman, Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 12th day of July, 2004, before me, the undersigned officer, personally appeared SIGNE LEININGER, who acknowledged that she is the President of the Board of Directors of VILLA MONTEREY RECRECATIONAL ASSOCIATION, a non-profit corporation, and that she, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as she had authority so to do.

IN WITNESS HEREOF I have hereunto set my hand and official seal.

Notary Public State of Arizona
Maricopa County
Bette D Popiel
Expires November 15, 2005

Bette D. Popiel

NOTARY PUBLIC in and for Arizona.
My commission expires: Nov. 15, 2005

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 12th day of July, 2004, before me, the undersigned officer, personally appeared WILLIAM HOFFMANN, who acknowledged that he is the Secretary of the Board of Directors of VILLA MONTEREY RECRECATIONAL ASSOCIATION, a non-profit corporation, and that he, as such officers, being authorized so to do, executed the foregoing Instrument for the purposes therein contained, by signing the name of the corporation as he had

authority so to do.

IN WITNESS HEREOF I have hereunto set my hand and official seal.

Notary Public State of Arizona
Maricopa County
Bette D Popiel
Expires November 15, 2005

Bette D. Popiel
NOTARY PUBLIC in and for Arizona.
My commission expires: NOV. 15, 2005

CONSENT OF STATUTORY AGENT

The undersigned hereby certifies that consent is given to act as statutory agent for the Association.

Richard Olsen
Richard Olsen