

**ARTICLES OF INCORPORATION****OF****AZ CORPORATION COMMISSION
FILED****VILLAS MONTANAS COMMUNITY ASSOCIATION
AN ARIZONA NONPROFIT CORPORATION****MAR 09 2008****FILE NO. 1241991.1**

In compliance with the requirements of § 10-3101, et seq., Arizona Revised Statutes, as amended, the undersigned, who is a person capable of contracting, states as follows:

ARTICLE I**NAME**

The name of the corporation is Villas Montanas Community Association.

ARTICLE II**DEFINED TERMS**

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Villas Montanas (the "Declaration") recorded in the office of the County Recorder of Maricopa County, Arizona, as amended from time to time.

ARTICLE III**PRINCIPAL OFFICE**

The initial principal office of the Association shall be located at 401 West Baseline Road, Suite 105, Tempe, AZ 85283-5348.

ARTICLE IV**STATUTORY AGENT**

Azim Q. Hameed, Esq., whose address is Mohr, Hackett, Pederson, Blakley & Randolph, P.C., 2800 North Central Avenue, Suite 1100, Phoenix, Arizona, 85004-1043, is hereby appointed and designated as the initial statutory agent for the corporation.

ARTICLE V**PURPOSE OF THE ASSOCIATION**

The purpose for which the corporation is organized is to act as a homeowners' association in accordance with Section 528 of the Internal Revenue Code of 1986, as the same may be amended from time to time, or if the corporation so elects, pursuant to Section 501(c)(4) of the Internal Revenue Code, as the same may be amended from time to time, and as such shall provide for the management, maintenance, and care of the Common Area and other property owned by the Association or property placed under its jurisdiction and shall perform all duties and exercise all rights imposed on or granted to the Association by the Project Documents. 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 be amended from time to time.

ARTICLE VI**CHARACTER OF BUSINESS**

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Common Area and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Project Documents.

ARTICLE VII**MEMBERSHIP AND VOTING RIGHTS**

The corporation has members. Membership in the Association shall be limited to Owners of Lots. Membership is appurtenant to and inseparable from ownership of a Lot. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents.

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, unless subsequently replaced by the Declarant, shall serve until the Class B membership in the Association terminates and the Declarant under the Declaration tenders control of the Association to the Class A membership in the Association are as follows:

<u>Name</u>	<u>Mailing Address</u>
James Mercado	1999 Broadway, Suite 1000 Denver, Colorado 80202
Ricardo E. Rodriguez	1999 Broadway, Suite 1000 Denver, Colorado 80202
Trina Pell	1999 Broadway, Suite 1000 Denver, Colorado 80202

The Board 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 Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association.

ARTICLE IX**OFFICERS**

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until replaced by the Board or the Class B membership in the Association terminates and the Declarant under the Declaration tenders control of the Association to the Class A membership:

James Mercado	-	President
Ricardo E. Rodriguez	-	Secretary
Trina Pell	-	Treasurer

ARTICLE X**LIMITATION ON LIABILITY**

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time. The private property of the Members, directors and officers of the Association shall be forever exempt from the Association's debts and obligations, except as otherwise provided in the Project Documents.

ARTICLE XI**INDEMNIFICATION AND INSURANCE**

To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. § 10-3101, et seq., the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he is or was a member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act. The Association shall obtain and maintain a policy of directors and officers liability insurance in an amount determined from time to time by the Board of Directors. The policy shall be written by an insurance company having a rating of at least "A" and first class by A.M. Best.

ARTICLE XII**AMENDMENTS**

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members in each class of membership of the Association; provided, however, that the Declarant, so long as the Declarant owns any Lot, and thereafter, the Board, without a vote of Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Lot, any amendment to these Articles must be approved in writing by the Declarant.

ARTICLE XIII**DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by Members representing not less than two-thirds (2/3) of the total authorized votes in each class of membership. 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, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XIV**DURATION**

The corporation shall exist perpetually.

ARTICLE XV**VA/FHA APPROVAL**

As long as there is a Class B membership in the Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties; mergers or consolidations; mortgaging of Common Area; dedication of Common Area; undertaking self-management of the Project or the Association; and dissolution or amendment of these Articles of Incorporation.

ARTICLE XVI**PRIORITY**

To the extent of any conflict between the provisions of these Articles of Incorporation and the Declaration, the provisions of the Declaration shall control and supersede the provisions hereof.

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ARTICLE XVII

INCORPORATOR

The name and address of the incorporator of the Association is:

Name

James Mercado

Address

1999 Broadway, Suite 1000
Denver, Colorado 80202

Dated this 21st day of February, 2006.


James Mercado

STATE OF COLORADO

COUNTY OF DENVER

)
) ss:
)

The foregoing instrument was acknowledged before me this 6th day of March, 2006 by J. Mercado an incorporator of VILLAS MONTANAS COMMUNITY ASSOCIATION, an Arizona nonprofit corporation.


Notary Public

My Commission Expires: 3/29/2010

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent for this corporation, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 9th day of March, 2006.


Azim Q. Hameed, Esq.

1241991-1

**ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION**

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

**NONPROFIT
CERTIFICATE OF DISCLOSURE
A.R.S. Section 10-3202.D**

VILLAS MONTANAS COMMUNITY ASSOCIATION

EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes ☐ No ☒

B. IF YES, the following information MUST be attached:

- | | |
|---|--|
| 1. Full name and prior name(s) used. | 6. Social Security number. |
| 2. Full birth name. | 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case. |
| 3. Present home address. | |
| 4. Prior addresses (for immediately preceding 7-year period). | |
| 5. Date and location of birth. | |

C. Has any person serving either by election or appointment as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

Yes ☐ No ☒

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES," YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- | | |
|---|---|
| 1. Name and address of the corporation. | 4. Dates of corporate operation. |
| 2. Full name (including alias) and addresses of each person involved. | 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case. |
| 3. State(s) in which the corporation: | |
| (a) Was incorporated. | |
| (b) Has transacted business. | |

D. The fiscal year end adopted by the corporation is December 31

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY [Signature] DATE 2.16.06
TITLE James Mercado, President/Incorporator

BY [Signature] DATE 2/16/06
TITLE Ricardo E. Rodriguez, Secretary

BY [Signature] DATE 2/16/06
TITLE Trina Pell, Treasurer

BY DATE
TITLE

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION

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