

STATE OF ARIZONA
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DATE APPR 11/18/2002
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BY Steve Millsten
-0816645-9

ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
SADDLEBROOKE VILLAS ASSOCIATION NOS. 34, 35, 35A, INC.

Pursuant to the provisions of A.R.S. § 10-11006, SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc., an Arizona nonprofit corporation, hereby adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is currently SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc.

SECOND: Article 1 of the Articles of Incorporation shall be deleted and the following inserted in place thereof:

ARTICLE I

Name

The name of the corporation is SaddleBrooke Villas Association Nos. 35, 35A, Inc. *OK 8/2*

THIRD: The amendment was adopted by the members and board of directors of the corporation on August 6, 2002, in the manner prescribed by the Arizona Nonprofit Corporation Law and there is no other group or person whose approval is required.

DATED: 11/15, 2002.

SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc., an Arizona nonprofit corporation

By: *Steve Millsten*
Print Name: Steve Millsten
Title: Association Secretary

FILED
AT COUNTY CLERK'S OFFICE
PINAL COUNTY

ARTICLES OF INCORPORATION
OF

AUG 21 2 15 PM '97

SADDLEBROOKE VILLAS ASSOCIATION NOS. 34, 35, 35A, INC.

Sonia Green
8/21/97

The undersigned, as incorporators, for the purpose of forming a nonprofit corporation (the "Corporation") under the laws of the State of Arizona, hereby adopt the following Articles of Incorporation:

0816645-1

ARTICLE I
Name

The name of the Corporation is SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc.

ARTICLE II
Definitions

Except as otherwise provided below, capitalized terms used in these Articles of Incorporation without definition shall have the meanings specified for such terms in the Declaration of Annexation and of Covenants, Conditions and Restrictions for SaddleBrooke Units 34, 35, and 35A, recorded in the Official Records of Pinal County, (the "Villas Declaration"). As used in these Articles of Incorporation, the term "Additional Declaration" shall mean any declaration of annexation or of covenants, conditions and restrictions, as amended from time to time, executed by Declarant that makes reference to these Articles of Incorporation and makes membership in the Corporation an incident of ownership of any part of the real property described therein.

ARTICLE III
Duration

The Corporation shall exist perpetually.

ARTICLE IV
Purposes

The object and purposes for which the Corporation is organized is to provide for management, maintenance and care of the Villas Areas, of other property owned by the Corporation and of property placed under the jurisdiction of the Corporation, and to perform all duties and exercise all rights imposed upon, granted to or permitted to the Corporation by these Articles of Incorporation or by the Villas Declaration, or any Additional Declaration. Without limiting the generality of the forgoing, to the extent authorized by the Villas Board, but subject to any limitations set forth in the Villas Declaration, the Corporation shall be empowered:

(a) to accept such properties, improvements, rights and interests as may be conveyed, leased, assigned or transferred to the Corporation; to assume such obligations and duties as may be contained in any lease assigned or transferred to the Corporation; to maintain, operate and otherwise manage all buildings, structures, improvements, landscaping, parking areas, walks, driveways, common elements, Villas Area, recreational areas and facilities now or hereafter constructed on the Villas Areas; to pay all taxes and assessments that may be levied against the Villas Areas; to repair, rehabilitate and restore all buildings, structures and improvements on the Villas Areas; to insure the Villas Areas, SaddleBrooke Country Club No. 2, Inc., and buildings and structures thereon against such risks as the Board shall determine; to levy assessments for maintenance, operating charges and other matters as the Villas Board shall determine in accordance with the Villas Declaration, the Master Declaration, any Tract Declaration, any Additional Declaration, these Articles of Incorporation, and the Villas Bylaws, and to enforce the collection of such assessments; to impose liens against Villas Lots to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Villas Declaration, any Additional Declaration, and Arizona law, to pay all maintenance, operating and other costs and to perform all acts which in the sole discretion of the Villas Board shall be deemed to be in the best interests of the members of the Corporation or for the peace, comfort, safety or general welfare of the members of the Corporation; to enter into use agreements and/or reciprocal use agreements with respect to all or any portion of the Villas Areas or any facilities thereon; to hire or retain person(s), firm(s) or corporations to manage all or any portion of the affairs of the Corporation; to make and amend rules and regulations respecting the Villas Areas and the Corporation; and to do all things necessary or appropriate to carry out and to enforce the terms and provisions of the Villas Declaration, and any Additional Declaration;

(b) to purchase, acquire, lease, own, improve, develop, maintain, operate and hold real and personal property of every kind and description, including but not limited to the Villas Areas, and to lease, mortgage, assign, pledge, sell, transfer, encumber, hypothecate or otherwise deal with such property;

(c) to borrow money and to issue notes, bonds and other evidences of indebtedness in furtherance of any or all of the objects and purposes of the Corporation, and to secure the same by mortgage, trust deed, pledge or other lien on or security interest in property of the Corporation;

(d) to enter into, perform and carry out leases and contracts of any kind necessary or incidental to, or in connection with, the accomplishment of any one or more of the objects and purposes of the Corporation;

(e) to lend or invest the Corporation's capital and reserves with or without security.

(f) to act as surety or guarantor, agent, trustee, broker or in any other capacity when appropriate for the fulfillment or the furtherance of the Corporation's objects and purposes as reasonably determined by the Villas Board;

(g) to procure such types and kinds of insurance as shall be required by the Declaration or deemed by the Villas Board to be in the best interests of the Corporation;

(h) in general, to do and perform such acts and to transact such business in connection with the foregoing objects and purposes as may be necessary, required or appropriate; and

(i) to transact any and all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona.

ARTICLE V **Character of Affairs**

The character of affairs that the Corporation initially intends actually to conduct in Arizona is the fulfillment of all of the Corporation's duties and responsibilities and the exercise of all the Corporation's rights, powers and prerogatives under the Villas Declaration.

ARTICLE VI **Membership; Voting Rights; Declarant Control**

As provided in the Villas Declaration, each Owner including Declarant, shall be a member of the Corporation. Each Owner shall have one membership for each Lot owned by the Owner. A membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon transfer of the Villas Lot to which it appertains, to a new Owner. A membership shall automatically be transferred to the new Owner upon the transfer of the Villas Lot to which the membership appertains (and then only to such transferee), whether the Villas Lot is transferred by sale, intestate succession, testamentary disposition, foreclosure of a lien or other legal process.

Except to the extent expressly provided otherwise herein or in the Villas Declaration, no members other than Declarant shall have any voting rights until the Villas Transition Date. Subject to Declarant's right to control the Corporation and to Declarant's right to ten votes for each membership held by Declarant from and after the Villas Transition Date or such other date as Declarant ceases to control the Corporation, or in any vote permitted by Declarant prior to the Villas Transition Date, and as provided in the Villas Declaration, the voting rights of the Owners shall be as follows: Each membership shall be entitled to one vote. In the event that more than one person or entity constitutes the Owner of a Lot, all such persons and/or entities shall be deemed to be members of the Corporation, but they collectively shall hold only a single membership. The voting for such Villas Lot shall be as they determine among themselves, but in no event shall the vote be split or more than one vote cast with respect to any such membership. If such persons and /or entities are unable to agree on how their single vote is to be cast, their vote shall not be counted.

The Corporation is not organized for the purpose of gaining pecuniary profit and shall not have or issue shares of stock. No dividend may be paid and no part of the income or profit of the Corporation may be distributed to its members, directors or officers in violation of Arizona nonprofit corporation law. No part of the net earnings of the Corporation shall inure to the benefit of any member or individual, other than by the Corporation acquiring, constructing or providing management, maintenance and care of Corporation property and other than by any rebate of excess membership dues, fees and assessments.

Notwithstanding anything in these Articles of Incorporation to the contrary, until the Villas Transition Date (as defined in the Master Declaration), Declarant shall have the right and power to maintain absolute control over the Corporation, including without limitation the right and power to amend these Articles of Incorporation (through control of the Villas Board), appoint the officers of the Corporation, appoint all (or, at Declarant's option, a majority) of the members of the Villas Board, and appoint members of the committees of the Corporation. Until the Villas Transition Date, Declarant shall appoint three directors, and, at such time as is deemed appropriate by Declarant in its sole discretion, the members of the Corporation other than Declarant shall elect two persons to serve on the Villas Board for two-year terms (in addition to the three directors appointed by Declarant). In addition, unless otherwise approved by Declarant in its sole discretion or otherwise required by the Villas Declaration, until the Villas Transition Date only Declarant shall be entitled to cast any vote with respect to any matter requiring approval of the members. Declarant voluntarily may (but shall not be required to) relinquish control of the Corporation and thereby require the members to assume control of the Corporation at any time. From and after the Transition Date, the date Declarant relinquishes to the members control of the Corporation or the date Declarant otherwise ceases to control the Corporation, whichever first occurs, or in any other vote that Declarant permits to take place, Declarant shall have ten (10) votes for each membership held by Declarant.

ARTICLE VII **Statutory Agent**

FC Service Corporation, an Arizona corporation, whose address is 3003 North Central, Suite 2600, Phoenix, Arizona 85012-2913, is hereby appointed the initial statutory agent for the Corporation.

ARTICLE VIII **Board of Directors and Officers**

The business, property and affairs of the Corporation shall be managed, controlled and conducted by the Villas Board. Until the Villas Transition Date, the number of directors, who shall serve without compensation, shall not exceed five (5). After the Villas Transition Date the number of directors who shall serve without compensation shall not be less than three (3) nor more than nine (9), as shall be specified in the Bylaws. The initial Board shall consist of three (3) directors, all of whom

shall be appointed by Declarant. Except for directors nominated or appointed by Declarant, each director shall be a member or spouse of a member of the Corporation. If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the board shall be deemed vacant. A director shall serve his term until he resigns or is removed and his successor is elected and qualified, except that Declarant shall have the absolute power and right to appoint and remove directors appointed by Declarant until the Villas Transition Date. All directors shall serve two-year terms, except that prior to the Villas Transition Date, Declarant need not periodically re-elect or re-appoint directors appointed by Declarant. The following individuals shall serve as directors until their successors are elected and qualified;

Paul A. Dupler
9532 East Riggs Road
Sun Lakes, Arizona 85248-7411

Mike Osborn
9532 E. Riggs Rd
Sun Lakes Az 85248-7411

Ray Leppien
9532 East Riggs Road
Sun Lakes, Arizona 85248-7411

The Villas Board shall have the power to adopt and amend Villas Bylaws. The Villas Bylaws shall prescribe, among other things, the date of the annual meeting of the members of the Corporation.

Unless otherwise required by these Articles, the Villas Declaration, or by applicable law, the acts of a majority of the directors present at a meeting at which a quorum is present shall constitute an act of the Villas Board.

The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Villas Board may desire. All officers of the Corporation shall be elected by the Villas Board. The officers of the Corporation shall have those powers, duties and responsibilities provided in the Villas Bylaws.

ARTICLE IX **Incorporators**

The names and addresses of the Incorporators are:

Paul A. Dupler
9532 East Riggs Road
Sun Lakes, Arizona 85248-7411

Ray Leppien
9532 East Riggs Road
Sun Lakes, Arizona 85248-7411

Michael R. Osborn
9532 East Riggs Road
Sun Lakes, Arizona 85248-7411

ARTICLE X
Private Property

The members, directors and officers of the Corporation shall not be individually or personally liable for the debts or other liabilities of the Corporation, and the private property of the members, directors and officers of the Corporation shall be forever exempt from corporate debts and liabilities of every kind whatsoever.

ARTICLE XI
Indemnification

To the fullest extent permitted by law, the Corporation shall indemnify each of its committee members, directors and officers, and former committee members, directors and officers, against expenses incurred by them, including legal fees incurred by, and judgements and penalties rendered or levied against, each such person in any legal actions brought against each such person for acts or omissions alleged to have been committed by such person while acting within the scope of such person's authority as a committee member, director or officer of this Corporation, or exercising the powers of the Villas Board.

ARTICLE XII
Limitation of Director Liability

No director of the Corporation shall be personally liable to the Corporation or its shareholders or Members for monetary damages for any action taken or any failure to take action as a director; provided, however, that this Article shall not eliminate or limit the liability of a director to the extent the elimination or limitation thereof is prohibited by Title 10, Arizona Revised Statutes, as amended from time to time.

ARTICLE XIII
Known Place of Business

The known place of business of the Corporation shall be located at 9532 East Riggs Road, Sun Lakes, Arizona, 85248-7411. The Corporation may establish such other offices, both within and outside the State of Arizona, as the Villas Board may from time to time designate.

ARTICLE XIV
Amendments

Until the Villas Transition Date, these Articles of Incorporation may only be amended by the Villas Board. Thereafter these Articles of Incorporation may be amended at a lawfully held meeting of the members of the Corporation by the affirmative vote of a majority of the votes held by those members present, whether in person or by valid proxy, after the Villas Board has first adopted a resolution setting forth the proposed amendment and directed that it be submitted to vote by the members; provided, however, that these Articles of Incorporation shall not be amended to contain any provision which would be contrary to or inconsistent with the Villas Declaration, the Master Declaration, or any Tract or Additional Declaration, and any provision or purported amendment to these Articles of Incorporation which is contrary to or inconsistent with the Villas Declaration, the Master Declaration, or any Tract or Additional Declaration shall be void to the extent of such inconsistency.

ARTICLE XV
Conflicts


In the event of any conflict or inconsistency between the Villas Declaration and these Articles, the Villas Declaration shall govern and control.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation this 21 day of Aug, 1997.

INCORPORATORS:



Paul A. Dupler



Ray Leppien

CONSENT TO ACT AS STATUTORY AGENT

FC SERVICE CORPORATION, an Arizona corporation, hereby consents to act as initial statutory agent for SaddleBrooke Villas Association Nos. 34, 35, and 35A, Inc.

DATED this 21st day of AUGUST, 1997.

FC SERVICE CORPORATION

By 

Its ATTORNEY

3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012-2913

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State of Arizona



OFFICE OF THE CORPORATION COMMISSION

To all to Whom these Presents shall Come, Greeting:

I, the Executive Secretary of the Arizona Corporation Commission, DO HEREBY CERTIFY that

****SADDLEBROOKE VILLAS ASSOCIATION NOS. 34,35,35A, INC.****

a Domestic Corporation organized under the laws of the State of Arizona, did incorporate on
August 21, 1997

I FURTHER CERTIFY that this corporation has filed all affidavits and annual reports and paid all annual filing fees required to date and, therefore, is in good standing in this state.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this

11th day of September,

19 97, A.D.

Jack Rose

Executive Secretary

By Sonia Suez