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FEB 11 2011

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION**

**OF**

**CONCORD VILLAGE, INC.**

KNOW ALL PERSONS BY THESE PRESENTS:

That the duly-elected Board of Directors of the corporation, by virtue of the laws of the State of Arizona, has this day adopted these Amended and Restated Articles of Incorporation as follows:

ARTICLE I

The name of this corporation shall be "CONCORD VILLAGE, INC." The purposes of the Corporation are as follows:

- a. To acquire, operate, construct, lease and own a multifamily housing project known as Concord Village located at 631 E. Lexington Place in Tempe, Maricopa County, Arizona 85281 (the "Project"), to provide its members with housing and community facilities, if any, on a nonprofit basis, and to do any and all things necessary, convenient or incidental to that purpose. The Corporation shall have 384 members, all of one class, and memberships of the Corporation shall be transferable in the manner prescribed by the By-Laws. No dividend shall be paid at any time upon any membership issued by this corporation. This Corporation is and shall continue to be a single asset Corporation.
- b. To provide under the provisions of Section 223(a)(7) of the National Housing Act, as amended, dwelling accommodations on a cooperative basis for families displaced from urban renewal areas or as a result of governmental action, and to assist further the provision of housing for moderate and low income families.
- c. To construct, operate, maintain and improve, and to buy, own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary or incidental to the provision of such housing.
- d. To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business: to secure the same by a mortgage, deed of trust, pledge or other lien.
- e. To apply for and obtain or cause to be obtained from the Federal Housing Commissioner, hereinafter called the "Commissioner," a contract or contracts of mortgage insurance pursuant to the provisions of the above cited Section of the National Housing Act, as amended.
- f. To enter into any kind of activity, and to perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the non-profit purposes of the cooperative corporation.

g. To make patronage refunds to Members, occupants of living units, or others as provided for in the Bylaws and/or Occupancy Agreements.

The Corporation may become a member of an association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing housing for consumers.

## ARTICLE II

The post office address of the place at which the principal office and place of business of the Corporation in this State will be located is 631 East Lexington Place, Tempe, Arizona 85281, but this Corporation may do and transact business and its Board of Directors may meet at such other place or places as may be convenient or necessary for the conduct of the business of the corporation.

## ARTICLE III

The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers, and privileges of the Federal Housing Administration ("HUD") pursuant to a Regulatory Agreement between the Corporation and HUD. The Corporation is bound by the provisions of the Regulatory Agreement. If any of the provisions of these Amended and Restated Articles, or the Bylaws, or any other organizational documents of the Corporation conflict with the terms of the HUD Regulatory Agreement or any documents executed in connection with any loan insured by HUD, the provisions of the Regulatory Agreement and HUD loan documents will control. No provision required by HUD to be inserted into the organizational documents may be amended without prior HUD approval, so long as HUD is the insurer or holder of the note. No provision in the organizational documents that results in any of the following will have any force or effect without the prior written consent of HUD:

- a. Any amendment that modifies the term of the Corporation as set forth herein;
- b. Any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional member;
- c. Any amendment that in any way affects the note, mortgage, deed of trust or security deed, and security agreement on the Project or the Regulatory Agreement between HUD and the Corporation;
- d. Any amendment that would authorize any officer or representative other than the pre-approved officer or representative to bind the Corporation for any matters concerning the project which require HUD's consent or approval;
- e. A change in the pre-approved officer or representative of the Corporation; or

f. Any change in a guarantor of any obligation to the Secretary.

The terms of the Regulatory Agreement take precedence in the event of any conflict with the terms of this Corporation's organizational documents. This Corporation has authority to enter into a transaction for a loan to be insured by HUD pursuant to Section 223(a)(7) of the National Housing Act and to comply with the requirements of the HUD Insurance program.

#### ARTICLE IV

The Corporation is authorized to execute a note, mortgage, deed of trust or security deed and security agreement in order to secure a loan to be insured by the Secretary and to execute the Regulatory Agreement and other documents required by the Secretary in connection with any HUD-insured loan. Any incoming member must as a condition of receiving an interest in the Company agree to be bound by the note, mortgage, deed of trust or security deed, security agreement, the Regulatory Agreement and any other documents required in connection with the HUD-insured loan to the same extent and on the same terms as the other members. Notwithstanding any other provisions, upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary.

#### ARTICLE V

The Members, officers and directors of the Corporation and any assignee are liable in their individual capacity to HUD for:

- a. Funds or property of the Project coming into its possession, which by the provisions of the Regulatory Agreement, the person or entity is not entitled to retain;
- b. Its own acts and deeds, or acts and deeds of others which it has authorized, in violation of the provisions of the Regulatory Agreement
- c. The acts and deeds of affiliates, as defined in the Regulatory Agreement, which the person or entity has authorized in violation of the provisions of the Regulatory Agreement; and
- d. As otherwise provided by law.

#### ARTICLE VI

The Corporation has designated the duly-elected President of the Corporation, as its official representative for all matters concerning the Project which require HUD consent or approval. The signature of this representative will bind the Corporation in all such matters. The Corporation may, from time to time, appoint a new representative to perform this function, but

within three (3) business days of doing so, will provide HUD with written notification of the name, address, and telephone number of its new representative. When a representative other than the representative identified above has full or partial authority of management of the Project, the Corporation will promptly provide HUD with the name of that entity and the nature of that representative's management authority.

#### ARTICLE VII

The fiscal year of the Corporation shall begin on the first day of November every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the Administration.

#### ARTICLE VIII

Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts prescribed by the FHA Commissioner. That amount of the carrying charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid In Surplus" account as a capital contribution by the members. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant or other person acceptable to the Administration, whose report will be prepared and certified in accordance with the requirements of the Administration. Based on such reports, the Corporation will furnish its members with an annual financial statement including the income and disbursements of the Corporation. The Corporation will also supply the members, as soon as practicable after the end of each calendar year, with a statement showing each member's pro rata share of the real estate taxes and mortgage interest paid by the Corporation during the preceding calendar year. Financial reports such as are required to be furnished to the Administration and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any member.

#### ARTICLE IX

Notwithstanding any provision to the contrary in the organizational documents of this Corporation, so long as any corporate indebtedness is insured or held by HUD, any distribution shall only be made out of available surplus cash pursuant to Section 6(e)(1)-(4) of the Regulatory Agreement and any indemnification by the Corporation of any member, officer or director is limited to "surplus cash" as defined in the HUD Regulatory Agreement.

#### ARTICLE X

The affairs of this Corporation shall be conducted by a board of five directors, to be elected by the members at the annual meeting of the corporation which shall be held on, the third Saturday of January.

## ARTICLE XI

No contract or other transaction between this corporation and any other corporation and no act of this corporation shall in any way be affected or invalidated by the fact that any of the directors or officers of this corporation are pecuniarily or otherwise interested in, or are directors or officers of such other corporation; any directors individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of this corporation, provided the fact that he or such firm is so interested shall be disclosed in the minutes of this corporation, and any director of this corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this corporation, which shall authorize any such contract of transaction, provided, however, such director may not vote thereat to authorize any such contract or transaction.

## ARTICLE XII

Notwithstanding any other provision contained herein the Corporation formed hereby is authorized to enter into a contract (Regulatory Agreement) with the Federal Housing Commissioner and shall be bound by the terms thereof to enable the Commissioner to carry out the provisions of the National housing Act, as amended, Upon execution, the contract (Regulatory Agreement) shall be binding upon the Corporation, its successors and assigns, so long as a mortgage is outstanding, unpaid and insured or held by the Federal Housing Commissioner.

## ARTICLE XIII

The highest amount of indebtedness or liability to which this corporation shall be subjected or shall subject itself shall at no time exceed the sum of \$4,500,000.00.

## ARTICLE XIV

Unless otherwise provided for in these Amended and Restated Articles, 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, officers, or directors, is and shall be forever exempt from all debts 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 debt whatsoever.

## ARTICLE XV

The Corporation shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD. The term of this Corporation shall be through and including the calendar year 2040.

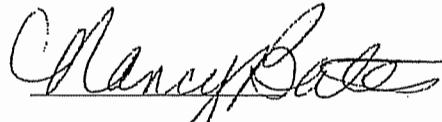
## ARTICLE XVI

Charles K. Ayers, 4227 N. 32<sup>nd</sup> Street, Phoenix, Arizona 85018, a member of the State Bar of Arizona, is hereby appointed the lawful agent in and for the State of Arizona, for and on behalf of this corporation, to accept and acknowledge service of and upon whom may be served all necessary papers of processes in any action, suit or proceeding that may be had or brought against such corporation in any of the

courts of said State of Arizona, such service of process or notice, or the acceptance thereof by said agent endorsed thereon, to have the same force and effect as if served upon the President and Secretary of this corporation.

The Board of Directors is authorized and empowered to revoke said appointment, at any time, and to make and 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.

IN WITNESS WHEREOF, these Amended and Restated Articles of Incorporation have been executed by the undersigned as the duly-elected President of the Board of Directors this day of February, 2011.

  
Nancy Bates, President

STATE OF ARIZONA ) -  
                                      ) ss  
County of Maricopa

On this, the <sup>1st</sup> day of February, 2011, before me, the undersigned officer, personally appeared Nancy Bates, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



My Commission Expires:

10/29/2011

