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ARTICLES OF INCORPORATION
OF
SILVERSTONE RANCH ASSOCIATION

APPROVED: *zh*
DATE: 8-11
FILE NO: 0755402-2
DATE

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The undersigned hereby adopts the following Articles of Incorporation, effective as of August 1, 1995:

1. Name: The name of the corporation shall be SILVERSTONE RANCH ASSOCIATION (the "Association").

2. Purpose: The Association is organized and shall be operated as a nonprofit corporation for the purposes set forth for the "Association" in the Declaration of Covenants, Conditions and Restrictions for Silverstone Ranch (the "Declaration") recorded on June 30, 1995, at Recorder's No. 95-0379181 in the office of the Maricopa County, Arizona Recorder, and for conducting any or all lawful affairs for which corporations may be incorporated under Title 10, Chapter 5, Arizona Revised Statutes. (Except as provided herein, capitalized terms shall have the meanings given them in the Declaration.)

3. Initial Activity: As its initial activity, the Association intends to perform all matters to be performed by it pursuant to the Declaration.

4. Statutory Agent: The name and address of the Association's initial statutory agent is L and R Service Co., 40 N. Central Avenue, 15th Floor, Phoenix, Arizona 85004.

5. Board of Directors: The board of directors (the "Board") shall consist of three members, subject to increase as provided in the Bylaws. The initial directors and their addresses are:

John O'Connell
4820 South Mill Avenue
Tempe, Arizona 85282

Ray Lipnickas
4820 South Mill Avenue
Tempe, Arizona 85282

Billie Hiatt
4820 South Mill Avenue
Tempe, Arizona 85282

6. Incorporator: The name and address of the incorporator of the Association are:

John O'Connell
4820 South Mill Avenue
Tempe, Arizona 85282

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7. Net Earnings; Transfer of Assets on Dissolution: No part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or to any private individual, except the Association may pay reasonable compensation for services and make payments in furtherance of its purposes. Upon dissolution of the Association, the assets of the Association, whether real or personal, after rebate to Members of excess assessments or fees, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as close as possible to those to which they were required to be devoted by the Association. If such dedication is not accepted, such assets shall be transferred to a nonprofit corporation, trust or other organization to be devoted to purposes as close as possible to those to which they were required to be devoted by the Association. Use of funds for acquisition, construction, management or maintenance of association property or rebates to Members of excess assessments or fees shall not constitute an inurement of net earnings.

8. Members: The Members of the Association and their voting rights shall be determined as provided in the Declaration.

9. Amendments: The Articles and Bylaws may only be amended by following the procedure prescribed by the Declaration.

10. Indemnification: The Association shall indemnify each person identified in A.R.S. §10-1005(C) to the fullest extent permissible: (a) under the provisions of A.R.S. §10-1005; (b) under indemnification provisions of successor or amended statutes; (c) as provided in the Declaration or the Bylaws; or (d) by any agreement adopted pursuant to the provisions of A.R.S. §10-1005.

11. Director Liability: A director of the Association shall not be personally liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director. This article shall not eliminate or limit the liability of a director for any conduct described in clauses (a) through (e), inclusive, of Section 10-1029(A)(8), Arizona Revised Statutes. If the Arizona Revised Statutes are amended to authorize further elimination or limitation of the liability of a director, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes as so amended. Any repeal or modification of this article shall not increase the liability of a director of the Association arising out of acts or omissions occurring before the repeal or modification becomes effective.

EXECUTED as of the date first set forth above.


John O'Connell

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ACCEPTANCE OF STATUTORY AGENT

L and R Service Co., having been appointed to serve as statutory agent for Silverstone Ranch Association, hereby accepts said appointment and agrees to serve in that capacity until replaced by the Association in accordance with A.R.S. § 10-1009(A) and (B), or until the effective date of any resignation submitted by the undersigned in accordance with A.R.S. § 10-1009(C).

L AND R SERVICE CO., an Arizona corporation

By: Cynthia S. Clancy
Assistant Secretary

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RENZ D. JENNINGS
CHAIRMAN

MARCIA WEEKS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

8-14-95
SILVERSTONE RANCH ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on 8-11-95.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in MARICOPA County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is DECEMBER 31, 1995. Each year, a preprinted Annual Report Form will be mailed to you during that month.

Your first annual report will be due 4-15-96.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,
Terry Martinez

Examiner
Corporations Division
Arizona Corporation Commission

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