

AUG 03 2004

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ARTICLES OF INCORPORATION
OF
OLD STONE RANCH HOMEOWNERS ASSOCIATION,
an Arizona nonprofit corporation

The undersigned hereby, voluntarily set forth the following statements for the purpose of forming a non-profit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopt these Articles of Incorporation.

ARTICLE I
NAME

The name of the corporation is Old Stone Ranch Homeowners Association ^{olsh} (the "Association").

ARTICLE II
DURATION

The Association shall exist perpetually.

ARTICLE III
PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to provide for the management, maintenance, operation, replacement and repair of the Common Area and to 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 nonprofit corporations may be incorporated under federal and state law.

ARTICLE IV
CHARACTER OF BUSINESS

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance, operation, replacement and repair 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 V
STATUTORY AGENT

Lewis F. ("Buddy") Satterfield, whose address is 8800 North Gainey Drive, Suite 350, Scottsdale, Arizona 85258 and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated as the initial statutory agent for the Association.

ARTICLE VI
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 shall serve until the first annual meeting of the members or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Mailing Address</u>
David Garcia	8800 North Gainey Drive Suite 350 Scottsdale, AZ 85258
Joyce Manigold	8800 North Gainey Drive Suite 350 Scottsdale, AZ 85258
Heidi Olachea	8800 North Gainey Drive Suite 350 Scottsdale, AZ 85258

ARTICLE VII
INCORPORATOR

The name and address of the incorporator of the Association is David Garcia, 8800 North Gainey Drive, Suite 350, Scottsdale, AZ 85258.

ARTICLE VIII
LIMITATION ON LIABILITY OF DIRECTORS

To the fullest extent allowable under federal and state law, no Director of the Association shall be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a Director, except liability for any of the following:

- (i) Any breach of the Director's duty of loyalty to the Association or its members;
- (ii) Acts or omissions which are not in good faith and which involve intentional misconduct or a knowing violation of law;
- (iii) A violation of state law prohibitions regarding issuance of shares of stock, payments of dividends, or distributions of income or profit;
- (iv) Any transaction from which the Director derived an improper personal benefit;

(v) A violation of state laws regarding transactions with the Director that are void or voidable because of conflicts of interest.

ARTICLE IX
KNOWN PLACE OF BUSINESS

The known place of business of the Association shall be located at 8800 North Gainey Drive Suite 350, Scottsdale Arizona 85258.

ARTICLE X
MEMBERSHIP AND VOTING RIGHTS

Membership in the Association shall be limited to Owners of Lots. Each Owner shall have such rights, privileges and votes in the Association as are set forth in the Project Documents. Every person or entity who is a record owner of any Lot is entitled to membership and voting rights in the Association. Membership is appurtenant to, and inseparable from, ownership of a Lot.

ARTICLE XI
BYLAWS

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal, the Bylaws is reserved to the Board of Directors so long as the Class B Membership exists in the Association and thereafter in the Members, except that 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.

ARTICLE XII
OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Association or until their successors have been elected and qualified:

Dave Garcia	-	President
Joyce Manigold	-	Vice-President
Heidi Olachea	-	Secretary/Treasurer

ARTICLE XIII
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Owners representing not less two-thirds (2/3) of the authorized votes of each class of the Association membership and, so long as Declarant owns any Lot, the consent of Declarant. 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, as the Board of Directors shall determine. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose as the Board of Directors shall determine.

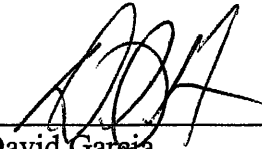
ARTICLE XIV
AMENDMENTS

These Articles may be amended only with the consent of Members owning not less than a majority of the total Lots and, so long as Declarant owns any Lot, the consent of Declarant.

ARTICLE XV
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 Old Stone Homeowners Association. In the event of a conflict or inconsistency between these Articles and the Declaration, the provisions of the Declaration shall control.

Dated this 2 day of August, 2004.



David Garcia

STATUTORY AGENT CONSENT

The undersigned, having been designated to act as Statutory Agent for Old Stone Ranch Home-
Association, hereby consents to act in that capacity until removed or resignation is submitted. owners

Date: August 2, 2004



Lewis F. (Buddy) Satterfield