

ARTICLES OF INCORPORATION
OF
SILVERSTONE HOMEOWNERS ASSOCIATION

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 Silverstone Homeowners Association.

ARTICLE II

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meaning specified for such terms in the Declaration of Covenants, Conditions and Restrictions for Silverstone recorded at Recorder's No.2002-1230962, records of Maricopa County, Arizona, as amended from time to time.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 4500 S. Lakeshore Drive, Suite 205, Tempe, Arizona 85282.

ARTICLE IV

STATUTORY AGENT

O. Craig Randall, whose address is 4500 S. Lakeshore Drive, Suite 205, Tempe, Arizona, 85282, is hereby appointed and designated as the initial statutory agent for the corporation.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized is to 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 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 corporations may be incorporated under the laws of the State of Arizona, as they may 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

* This Association will have members. Membership in the Association shall be limited to Owners of Lots. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically upon become the Owner thereof, be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership, and the voting rights associated therewith, are appurtenant to, and inseparable from, ownership of the Lot.

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

Name

Mailing Address

Mark G. Allen

4500 South Lakeshore Drive
Suite 205
Tempe, Arizona 85282

William K. Peck

4500 S. Lakeshore Drive
Suite 205
Tempe, Arizona 85282

O. Craig Randall

4500 S. Lakeshore Drive
Suite 205
Tempe, Arizona 85282

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 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

Turned over HOA
75%

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 and until their successors have been elected and qualified:

Mark G. Allen	-	President
William K. Peck	-	Vice President
O. Craig Randall	-	Secretary/Treasurer

ARTICLE X

LIMITATION ON LIABILITY OF DIRECTORS

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.

ARTICLE XI

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 of the Association; provided, however, that 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 XII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Owners representing not less than two-thirds (2/3) of the authorized votes in each class of membership and by the Declarant if the Declarant owns one or more Lots. Upon dissolution of the Association, other than incident to a merger or consolidations, 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 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.

ARTICLE XIII

DURATION

The Corporation shall exist perpetually.

*MUST
HAVE SOME SORT
OF HOA*

ARTICLE XIV

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 XV

INCORPORATOR

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

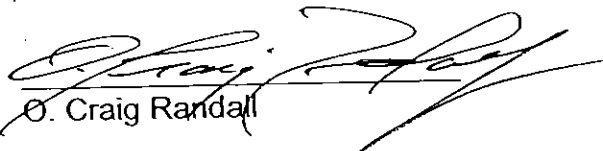
Name

Address

O. Craig Randall

4500 S. Lakeshore Drive
Suite 205
Tempe, Arizona 85282

Dated this 9th day of December, 2002


O. Craig Randall

PUBLIC REPORT RECEIPT

The developer shall furnish you, as a prospective customer, with a copy of the Public Report required by the Arizona Department of Real Estate. It is recommended that you read the report before you make any written offer to purchase or lease an interest in the development and before you pay any money or other consideration toward the purchase or lease of an interest in the development.

FOR YOUR PROTECTION, DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT. BY SIGNING THIS RECEIPT, THE BUYER HAS ACCEPTED THE PUBLIC REPORT AND ACKNOWLEDGES THE INFORMATION IT CONTAINS.

Lot # _____

DM02-030955

(Public Report Registration No.)

Silverstone

(Development Name and Lot No.)

I understand the report is not a recommendation or endorsement of the development by the Arizona Department of Real Estate, but is for information only.

(Buyer's Signature)

(Current Address)

(Buyer's Signature)

(Date)