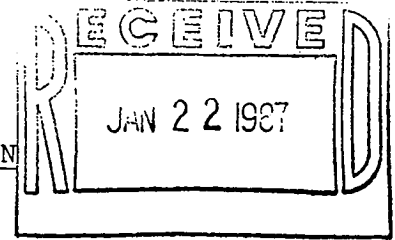


ARTICLES OF INCORPORATION  
OF  
STONECREEK HOMEOWNERS ASSOCIATION



The undersigned, as incorporators, have this date voluntarily associated themselves together for the purpose of forming a private non-profit membership corporation under and by virtue of the laws of the State of Arizona and do hereby adopt the following Articles of Incorporation:

ARTICLE I  
NAME

The name of this corporation shall be STONECREEK HOMEOWNERS ASSOCIATION.

ARTICLE II  
PRINCIPAL OFFICE

The principal place of business and office for the transaction of business of this Association shall be located in or near the City of Tempe, Maricopa County, State of Arizona.

ARTICLE III  
PURPOSE AND POWERS OF THE ASSOCIATION

This Association shall be a non-profit corporation without pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Areas within that certain tract of property described as:

Lots 1 - 231, inclusive, and Tracts A through O, inclusive of STONECREEK a subdivision of Maricopa County, Arizona, as it appears in the books and records of the County of Maricopa, Arizona, Book 300 of Maps, Page 41,

and

upon annexation of Stonecreek, Tracts P, Q, R and S, inclusive, as it appears in the books and records of the County of Maricopa, Arizona, Book 300 of Maps, Page 41.

and to promote the health, safety and welfare of the residents within the above described Properties and any additions thereto as may hereafter be brought within the jurisdiction of this Association and, for these purposes, to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association, as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called "Declaration", applicable to the property recorded or to be recorded in the Office of the County Recorder of Maricopa County, Arizona, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of said Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

- (c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the Association;
- (d) Borrow money and, with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, deed of trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members;
- (g) Perform any acts or functions which may be legally carried out by a non-profit corporation organized under the laws of the State of Arizona as they presently exist and as they may be amended.

#### ARTICLE IV MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject to covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

#### ARTICLE V VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine; but in no event, shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B Member(s) shall be the Declarant (as defined in the Declaration and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier;

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) The 31st day of December, 1995.

ARTICLE VI  
BOARD OF DIRECTORS

The business and affairs of this corporation shall be managed by a Board of three (3) Directors who need not be Members of the Association. The number of directors may be changed to not less than three (3) nor more than nine (9) Members in accordance with the Bylaws of the Association. The following persons are appointed as directors to serve until the election of their successors:

Patricia L. Sneed  
1400 E. Southern  
Suite 600  
Tempe, AZ 85282

Alan Marks  
1400 E. Southern  
Suite 600  
Tempe, AZ 85282

R. Barry Tull  
1400 E. Southern  
Suite 600  
Tempe, AZ 85282

At the first annual meeting, the Members shall elect one (1) Director for a term of three (3) years, and one (1) Director for a term of two (2) years and one (1) Director for a term of one (1) year. At each annual meeting thereafter, the Members shall elect Directors to replace those whose terms expire on the date of the annual meeting, each for a term of three (3) years. After the third annual meeting, all terms of office shall be for three (3) years.

ARTICLE VII  
LIABILITIES

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the members of the Board of Directors at a lawfully held meeting. The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed ONE HUNDRED FIFTY PERCENT (150%) of its income for the previous fiscal year, except that additional amounts may be authorized by an affirmative vote of two-thirds (2/3) of the membership. The private property of each and every officer, Director or Member of this corporation shall, at all times, be exempt from all debts and liabilities of the corporation.

ARTICLE VIII  
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members. 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. In the event that such dedication

is not accepted by an appropriate public agency, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes as described herein.

ARTICLE IX  
AMENDMENTS

During the first twenty (20) years or existence, the Articles may be amended by the affirmative vote of seventy-five percent (75%) of all voting members, Class A and Class B, at a duly called and convened meeting. Thereafter these Articles may be amended by a majority vote of all members, at a duly called and convened meeting.

ARTICLE X  
DECLARATION

The property which is described in Article III of these Articles is subject to the Declarations of Covenants, Conditions and Restrictions referred to in said Article III; and each purchaser of a Lot in the STONECREEK subdivision takes his deed subject to all of the rights and obligations, including but not limited to the levy of assessments, contained in said Declaration of Covenants, Conditions and Restrictions as recorded in Book 305 of Maps, Page 2 of Official Records, Maricopa, Arizona.

ARTICLE XI  
STATUTORY AGENT

Fennemore, Craig, von Ammon, Udall & Powers, Attn: Mr. George Cole, 6991 E. Camelback Road, Suite A-210, Scottsdale, Arizona 85251 authorized by law to act as a Statutory Agent in the State of Arizona, is hereby appointed and made the agent to this corporation on whom all notices and processes, including service of summons, may be served and when so served shall be lawful personal service on this corporation. This appointment may be revoked at any time by filing the appointment of another agent.

ARTICLE XII

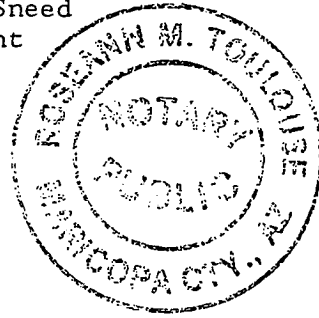
In the case of any conflict between the Bylaws and the Articles of Incorporation, the Articles shall control; and in the case of any conflict between the Declaration and these Articles of Incorporation, the Declaration shall control.

ARTICLE XIII  
FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, the undersigned, constituting the incorporator of the Association, has executed these Articles of Incorporation this 12th day of January, 1987.

Patricia L. Sneed  
Patricia L. Sneed  
Vice President



STATE OF ARIZONA     )  
                                  ) ss:  
County of Maricopa    )

The foregoing Articles of Incorporation for STONECREEK HOMEOWNERS ASSOCIATION were acknowledged before me this 12th day of January, 1987 by Patricia L. Sneed, Vice President.

Roseann M. Tollefson  
Notary Public

My Commission Expires:

7-9-88

The undersigned, George Cole, hereby consents to act as statutory agent for the above referenced corporation.

George J. Cole  
George Cole

The Incorporators for Stonecreek Homeowners Association are the same individuals as those listed as the Board of Directors.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, the undersigned, constituting the incorporator of the Association, has executed these Articles of Incorporation this 12<sup>th</sup> day of February, 1987.

R. Barry Tull  
R. Barry Tull  
President

STATE OF ARIZONA     )  
                                  ) ss:  
County of Maricopa    )

The foregoing Articles of Incorporation for STONECREEK HOMEOWNERS ASSOCIATION were acknowledged before me this 12<sup>th</sup> day of February, 1987 by R. Barry Tull, President.

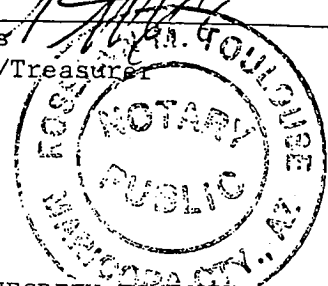
Roseann M. Goulrose  
Notary Public



My Commission Expires:  
7-9-88

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, the undersigned, constituting the incorporator of the Association, has executed these Articles of Incorporation this 11<sup>th</sup> day of February, 1987.

Alan Marks  
Secretary/Treasurer

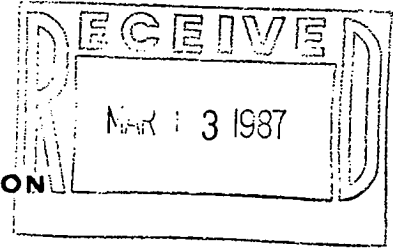


STATE OF ARIZONA     )  
                                  ) ss:  
County of Maricopa    )

The foregoing Articles of Incorporation for STONECREEK HOMEOWNERS ASSOCIATION were acknowledged before me this 11<sup>th</sup> day of February, 1987 by Alan Marks, Secretary/Treasurer.

Roseann M. Goulrose  
Notary Public

My Commission Expires:  
7-9-88



ARIZONA CORPORATION COMMISSION

MARCH 9, 1987

STONECREEK HOMEOWNERS ASSOCIATION

The purpose of this letter is to notify you that your Articles of Incorporation have been approved.

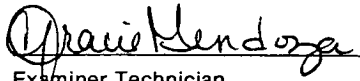
Within sixty (60) days from the filing date you must have published in a newspaper of general circulation in the county of the known place of business, for three (3) consecutive publications, a copy of the articles of incorporation. An Affidavit evidencing such publication must be delivered to the Commission for filing within ninety (90) days after filing the articles of incorporation.

All corporations are required to file an annual report. Since your Fiscal Year End is 12/31/87, the annual report is due on that date and becomes delinquent after three (3) months and fifteen (15) days.

If you are in need of further information, you may contact us at (602) 255-3135.

Very truly yours,  
*gracie mendoza*

PUBLICATION MUST BE IN  
*Maricopa*

  
Examiner Technician  
Corporations Division  
Arizona Corporation Commission

STONECREEK HOMEOWNERS ASSOCIATION

AZ. JURY COMMISSION  
FOR THE STATE OF AZ.  
FILED

FEB 12 3 03 PM '87

APPL. *Orndorff*  
DATE *1-3-87*  
TERM \_\_\_\_\_  
DATE \_\_\_\_\_

193129

AZ. JURY COMMISSION  
FOR THE STATE OF AZ.  
FILED

JAN 25 1 35 PM '87

APPL. \_\_\_\_\_  
DATE \_\_\_\_\_  
TERM *Castro*  
DATE *2-4-87*