

ARTICLES OF INCORPORATION
FOR
WILD TREE HOMEOWNERS ASSOCIATION

RECEIVED

APR 28 1994

ARIZONA GOV. COMMISSION

Pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Wild Tree dated April 8, 1994, recorded 4-22-94 as Document # 940324562 in the office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time (the "Declarations" the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt the following Articles of Incorporation:

ARTICLE I
DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Declarant" as used herein shall refer to Schirmer Management and Development, Inc., an Arizona corporation, and the successors and assigns of Declarant's rights and powers under the Declaration. Wild Tree as used herein to describe a place shall refer to the Property described in the Declaration as Wild Tree.

ARTICLE II
NAME

The name of the corporation is WILD TREE HOMEOWNERS ASSOCIATION, (hereafter called the "Association").

ARTICLE III
PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall initially be located at 1300 N. McClintock Drive, Chandler, AZ 85224.

ARTICLE IV
DURATION

The Association shall exist perpetually.

ARTICLE V
STATUTORY AGENT

John S. Lancy is hereby appointed the initial statutory agent of the Association.

ARTICLE VI
PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. This Association does not contemplate pecuniary gain or profit to the Members thereof. The specific purposes and the initial purpose for which the Association is formed are:

(a) To encourage and facilitate social and recreational activities for the Owners, lessees and residents of Wild Tree;

(b) To provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration of Wild Tree;

(c) To promote the health, safety and welfare of the Owners, lessees and residents within Wild Tree and any additions thereto as may hereafter be brought within the jurisdiction of the Association; and

(d) To comply with requirements of the Declaration of Covenants, Conditions, and Restrictions created for Wild Tree.

Section 2. Limitation of Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Association shall inure to the benefit of any Member or individual (other than by promoting social and recreational activities for Members, by acquiring, constructing, or providing management, maintenance, and care of the Common Area, or by a rebate of excess membership dues, fees or assessments).

Section 3. Character of Affairs. The character of affairs which the Association initially intends actually to conduct in Arizona is to carry out the duties and responsibilities of the Association as set forth in the Declaration, including the providing of an organizational structure for the Members to engage in social and recreational activities, to provide for the operation and maintenance of Common Area,

to levy and collect assessments for the expenses of the Association, and to exert architectural control over the construction and maintenance of Improvements on Wild Tree.

ARTICLE VII MEMBERSHIP

Section 1. Identity of Members. Membership in the Association shall be limited to record Owners of Lots and Parcels. A record Owner of a Lot or Parcel shall automatically, upon becoming 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.

Section 2. Transfer of Membership. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Parcel and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot or Parcel and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VIII VOTING RIGHTS

Section 1. Classes of Members. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of Lots and Parcels, with the exception of the Declarant. Each Class A Member shall be entitled to one (1) vote for each Lot owned. Voting rights and memberships for Parcels shall be determined by the appropriate Tract Declaration.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Class A vote outstanding for as long as there is a Class B membership. 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) The date upon which the Declarant no longer owns any Property within Wild Tree; or

(b) When the Declarant notifies the Association in writing that it relinquishes its Class B membership; or

(c) January 1, 2002.

Section 2. Joint ownership. When more than one (1) person is the Owner of any Lot or Parcel, all such persons shall be Members. The vote for such Lot or Parcel shall be exercised as they among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote or votes for each such Lot or Parcel must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. In the event more than one (1) ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 3. Corporate Ownership. In the event any Lot or Parcel is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot or Parcel an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

Section 4. Suspension of Voting Rights In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including attorneys fees, are brought current, and for a period not to exceed sixty (60) days for any infractions of the Project Documents and for successive sixty (60) day periods if the infraction has not been corrected.

Section 5. Inseparability of Voting Rights. Voting rights are appurtenant to, and inseparable from, ownership of the Lots or Parcels.

ARTICLE IX
BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than two (2) directors who need not be Members of the Association. The names and addresses of the persons who are to serve as directors beginning with the incorporation of the Association until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
W. Scott Schirmer	1300 North McClintock Chandler, Arizona 85226
Mary G. Peterson	1300 North McClintock Chandler, Arizona 85226

Section 1. Amendments. The Articles may be amended by the affirmative vote of at least two-thirds (2/3rds) of the votes of Members of the Association cast at a duly called meeting of the Members provided, however, as long as there is a Class "B" membership, any amendment of these Articles of Incorporation shall require the prior written approval of the federal Housing Administration or the Veterans Administration.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Articles to the contrary notwithstanding, the Board shall have the right to amend all or any part of the Articles to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") and to further amend the Articles to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Articles or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lots or Parcels. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Arizona law. It is the desire of Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of and until the Class s membership ceases pursuant to Article VII, Section 1 above. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions.

ARTICLE X
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 Board of Directors and until their successors have been elected and qualified:

W. Scott Schirmer	President
Mary G. Peterson	Secretary/Treasurer

ARTICLE XI
AMENDMENTS

These Articles of Incorporation may be amended by Members representing at least seventy-five percent (75%) of the total votes then entitled to be cast by each class of Members except that the Board of Directors shall have the right to amend these Articles of Incorporation in order to conform these Articles of Incorporation to the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, and the Veterans Administration.

ARTICLE XII
DISSOLUTION

If the Association is dissolved, the assets remaining after discharge of all corporate liabilities shall be distributed in compliance with the laws of the State of Arizona governing non-profit corporations.

ARTICLE XIII
INCORPORATORS

The names and addresses of the incorporators are as follows:

W. Scott Schirmer	Mary G. Peterson
1300 North McClintock	1300 North McClintock
Chandler, Arizona 85224	Chandler, Arizona 85224

ARTICLE XIV
INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

ARTICLE XV
EXEMPTION OF PRIVATE PROPERTY

The private property of each and every officer, Director and Member of this Association shall at all times be exempt from all debts and liabilities of the Association.

ARTICLE XVI
INDEMNIFICATION

The Association shall indemnify all of its Directors and officers, and its former directors and officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment as a director or officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act, willfully or with gross negligence, or with fraudulent or criminal intent, in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Whenever any such present or former director or officer shall report to the President of the Association that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act, willfully, with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

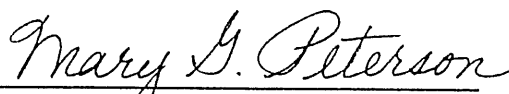
ARTICLE XVII
FHA/VA APPROVAL

If the Declaration and these Articles have been initially approved by the FHA or the VA in connection with any loan programs made available by FHA or VA and any loans have been made on property in Wild Tree which are insured or guaranteed by FHA or VA, then as long as there is a Class B membership, the following actions will require the prior written approval of the FHA or VA, as applicable, unless the need for such approval has been waived in writing by FHA or VA: (i) annexation of additional properties, (ii) mergers and consolidations, (iii) mortgaging of a common area, (iv) dedication of the Common Area except as required by zoning stipulations or agreements with the County of Maricopa effective prior to the date hereof, and (v) dissolution and amendment of these Articles.

Dated this 29 day of April, 1994.



W. Scott Schirmer



Mary G. Peterson