

ARTICLES OF INCORPORATION

OF

HAVASU GARDEN ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves for the purpose of forming a corporation under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation.

1. Name. The name of this corporation is HAVASU GARDEN ASSOCIATION, INC. (the "Association")

2. Duration. The period of duration of the Association shall be perpetual.

3. Principal Place of Business. The principal office for the transaction of business of the Association is located in Mohave County, Arizona.

4. Statutory Agent. The name and address of the initial Statutory Agent for the Association are:

William A. Clarke, Esq.
Carson Messinger Elliott Laughlin & Ragan
3300 North Central Avenue, Suite 1900
Phoenix, Arizona 85012

5. Non-profit Corporation. This Association is organized as a non-profit corporation under the laws of the State of Arizona.

6. Purpose and Powers. The Association does not contemplate the distribution of gains, profits or dividends to its Members and the specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Association Property within that certain tract of property situated in Mohave County, Arizona ("the Property"), which is more particularly described in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Havasu Garden Estates East (the "Declaration") which was recorded on _____, in Book ____, Pages _____ of the official records of the Mohave County Recorder, and to promote the health, safety and welfare of all of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to the Declaration and Bylaws of

the Association. The Association shall have no powers to carry on any activities that are not permitted to be carried on by a homeowner's association that is exempt from Federal income taxation under Section 501(a) of the Internal Revenue Code or any successor thereto.

In furtherance of said purposes, this Association shall have the powers to:

a. Perform all of the duties and obligations of the Association as set forth in the Declaration or the Bylaws;

b. Fix, levy, collect and enforce assessments and fines as set forth in the Declaration or the Bylaws;

c. Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes or governmental charges levied or imposed against the property owned by the Association (including Common Areas);

d. 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 affairs of the Association;

e. Borrow money, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred as authorized by the Declaration or the Bylaws;

f. Grant easements over the Streets or Common Areas owned by the Association to any public agency, authority or utility company approved in the Declaration, the Bylaws or as approved by the Board of Directors;

g. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any merger or consolidation shall have the assent by vote or written consent of two-thirds (2/3) of the Members; and

h. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona non-profit corporation Act may now or hereafter have or exercise.

7. Membership Voting Rights. The number and qualifications of Members of the Association, the different classes of membership, if any, the property, voting and other rights and privileges of Members, their liability for assessments (as defined in the Declaration) and the method of collection thereof shall be as set forth in the Declaration and Bylaws.

8. Board of Directors. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors (the exact number of which shall be fixed by the Bylaws, or amendments thereof, duly adopted by the Members or by the Board of Directors), each of whom shall be a Member of the Association. The number of Directors may be changed by amendment to the Bylaws of the Association. The initial Board of Directors, the members of which shall serve until their successors are elected according to the By-laws, is as follows:

Don Aldridge
505 North Acoma
Lake Havasu City, Arizona 86403

Dan Aldridge
505 North Acoma
Lake Havasu City, Arizona 86403

Jon Conelly
3300 North Central, Suite 2400
Phoenix, Arizona 85012

Liz Elwell
3300 North Central, Suite 2400
Phoenix, Arizona 85012

9. 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 and until their successors have been elected and qualified:

Don Aldridge - President
_____ - Vice President
_____ - Secretary
Dan Aldridge - Treasurer

10. Dissolution. In the event of the dissolution, liquidation or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the Directors or Persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights therein except where the Association holds its assets in trust, in which case the assets shall be disposed of according to the applicable provisions of Arizona corporate laws for non-profit corporations.

11. Exemption. The private property of each and every officer, director, and member of this Association shall at all times be exempt from the debts and liabilities of the Association.

12. Governing Documents. In the case of any conflict between the terms and provisions of these Articles and the Declaration, the Declaration shall control; and in the case of any conflict between the terms and provisions of these Articles and the Bylaws, the Bylaws shall control. Any provision contained in these Articles of Incorporation to the contrary notwithstanding, neither the corporation, the Board of Directors of the Corporation, nor any agent or employee of the corporation shall be authorized or empowered to take any action inconsistent with the provisions of the Declaration.

13. Amendments. These Articles may be amended by the vote or written assent of Members representing seventy-five percent (75%) of the total voting power of the Association. The Bylaws may be amended by the Members as provided in the By-laws.

14. FHA/VA Approval. As long as there is 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, mortgage of Common Area, dedication of Common Area, and dissolution or amendment of these Articles.

15. Incorporators. The Incorporators and their names and addresses are:

William A. Clarke, Esq.
Carson Messinger Elliott Ragan & Laughlin
3300 North Central Avenue, Suite 1900
Phoenix, Arizona 85012

Don Aldridge
505 North Acoma
Lake Havasu City, Arizona 86403

16. Indemnification of Officers and Directors. The Corporation shall indemnify any and all of its former, present and future directors and officers against all expenses incurred by them and each of them, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of their responsibilities and duties as directors or officers of the Corporation or while serving at the request of the Corporation as directors, officers, employees or agents or another corporation, partnership, joint venture, trust or other enterprise, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be made by the Corporation whether the legal action brought or threatened is by or in the right of the Corporation or by any other person. This indemnification shall be mandatory in all circumstances in which

indemnification is permitted by law.

IN WITNESS WHEREOF, for the purpose of forming this Association, under the laws of the State of Arizona, we, the undersigned, constituting the Incorporation of this Association, have executed these Articles of Incorporation this 31 day of January, 1994.

By William A. Clarke
William A. Clarke
Incorporator

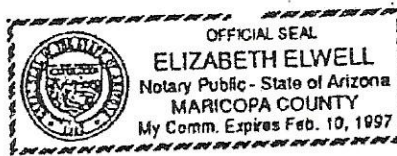
By Don Aldridge
Don Aldridge
Incorporator

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 31st day of JANUARY, 1994, before me, the undersigned Notary Public, personally appeared William A. Clarke, Esq., known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged that he executed the same for the purposes therein contained.

Elizabeth Elwell
Notary Public

My Commission Expires:



STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 9 day of February, 1994, before me, the undersigned Notary Public, personally appeared Donald Aldridge, known to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, and acknowledged that he executed the same for the purposes therein contained.

Elizabeth Elwell
Notary Public

My Commission Expires:

My Commission Expires Jan. 19, 1995