

ARTICLES OF INCORPORATION

OF

THE HIGHLANDS AT DESERT FOOTHILLS ESTATES  
OWNERS ASSOCIATION

SEP 1 9 04 AM '95  
APPROVED Christine Gungo  
DATE 9/5  
TERM \_\_\_\_\_  
DATE \_\_\_\_\_  
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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 (hereinafter the "Association") is **THE HIGHLANDS AT DESERT FOOTHILLS ESTATES OWNERS 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 1960 Highway 95, Suite 10, Bullhead City, Mohave County, Arizona.

4. Statutory Agent. The name and address of the initial Statutory Agent for the Association are: Amy S. Fisher, Amy S. Fisher, P.C., 7301 North 16th Street, Suite 103, Phoenix, Arizona 85020.

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. This 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 property owned by the Association for the benefit of its Members and any other areas of Association responsibility within that certain tract of Property situated in Mohave County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") which was recorded on the 31st day of August, 1995, at Book No. 2615, Page 951 of the Official Records of the Mohave County Recorder, and to promote the health, safety and welfare of all of the residents within the above-described Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to the Declaration. Capitalized terms set forth in these Articles shall have the meanings set forth in the Declaration.

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;
- b. Fix, levy, collect and enforce Assessments and fines as set forth in the Declaration;
- 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 Common Area;
- 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 and, only with the assent (by vote or written consent) of two-thirds (2/3) of each class of Members, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- f. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the Members, with no such dedication, sale or transfer being effective unless approval is received as evidenced by an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer;
- 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 each voting class of Members;
- h. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Non-profit Corporation Act by law may now or hereafter have or exercise; and
- i. Grant easements to public and private entities for the benefit of the Property.

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 and the method of collection thereof shall be as set forth in the Declaration and Bylaws.

8. Board of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) Directors (the exact number of which shall be fixed by the Bylaws, or amendments thereof, duly adopted by the Members or the Board of Directors). The

initial Board of Directors, the members of which shall serve until their successors are elected according to the Bylaws, is as follows:

Larry A. Sinagoga  
1960 Highway 95, Suite 10  
Bullhead City, AZ 86442

J. Tito Tiberti  
1960 Highway 95, Suite 10  
Bullhead City, AZ 86442

Frank J. Fertitta, Jr.  
1960 Highway 95, Suite 10  
Bullhead City, AZ 86442

9. Dissolution. The Association may be dissolved by the vote or written assent of Members representing not less than sixty-seven percent (67%) of the authorized votes in each class of Membership. 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 equally 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. So long as Declarant controls the Association, the Association may not be dissolved without prior written approval of the Federal Housing Administration ("FHA") and the Veterans Administration ("VA").

10. Amendments. These Articles may be amended by the vote or written assent of Members representing sixty-seven percent (67%) of the total voting power of the Association, provided, however, so long as Declarant controls the Association, these Articles may not be amended without the prior written approval of the FHA and the VA. These Articles are further subject and subordinate to the Master Declaration and the governing documents of the Master Association and no amendments may be made to these Articles which would render them inconsistent or in conflict therewith. Notwithstanding the foregoing, these Articles may be more restrictive or impose additional requirements on the Members than the foregoing documents.

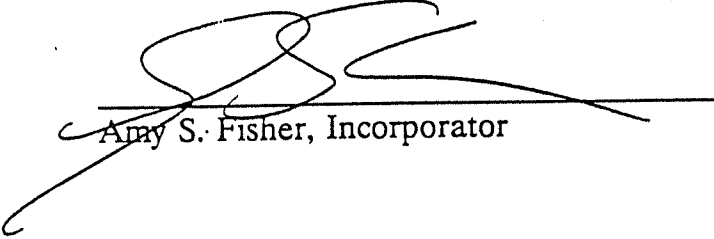
11. FHA/VA Approval. Notwithstanding anything to the contrary set forth above, so long as Declarant is in control of the Association, approval in writing by FHA and VA is required prior to annexation of additional properties, association mergers and consolidations with other non-profit corporations, mortgaging of a Common Area, and dedication of a Common Area.

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

Amy S. Fisher  
7301 N. 16th Street, Suite 103  
Phoenix, AZ 85020

13. Limitation of Liability. As set forth in the Arizona Non-profit Corporation Act, each Director shall be immune from civil liability and shall not be subject to suit, indirectly or by way of contribution, for any act or omission resulting in damage or injury if said Director was acting in good faith and within the scope of his official capacity (which is any decision, act or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized), unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Director. Without limiting the foregoing, it is the intention of this paragraph to provide for the Directors the full benefits and immunities created by, or available under the provisions of, A.R.S. §§ 10-1017(D), 10-1029(D) and 10-1029(A)(8), as the same may be expanded or modified in the future.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, I, the undersigned, constituting the Incorporator of this Association, have executed these Articles of Incorporation this 31 day of August, 1995.

  
Amy S. Fisher, Incorporator