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ARTICLES OF INCORPORATION  
OF

VISTA DEL RIO ESTATES HOMEOWNER'S  
ASSOCIATION, INC.

DEC 23 3 44 PM '96  
APPR. *Chris M. ...*  
DATE APPR. 3-12-97  
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DATE \_\_\_\_\_

*Chris M. ...*  
12/10/96 2:05 pm

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We, the undersigned incorporators, have associated ourselves for the purpose of forming a non-profit membership corporation under and pursuant to the laws of the State of Arizona, and for that purpose do hereby adopt these Articles of Incorporation.

1. Name and Location of Association

The name of this corporation shall be VISTA DEL RIO ESTATES HOMEOWNER'S ASSOCIATION, INC. ("Association"). The principal place of business shall be located within Mohave County, Arizona. Other offices may be established and maintained within the state of Arizona at such places as the Board of Directors may designate where meetings of members of the Association and the Board of Directors may be held.

2. Purpose of the Association

2.1 Purpose. This Association is formed to serve as the Owner's Association (governing body) under that certain Declaration of Covenants, Conditions and Restrictions (Declaration) for VISTA DEL RIO ESTATES and recorded in Book 2794, commencing at Page 12, records of Mohave County, Arizona.

2.2 Powers of Association. As provided in and pursuant to the Declaration, the character of the business or activity which this Association intends to conduct is to serve as the Owner's Association under said Declaration for the maintenance, repair, replacement, administration and operation of the Common Areas and to perform such duties and functions, and to exercise such rights, as are given and assigned by the Declaration as the same may hereafter be amended. The Association shall have such powers as are granted to non-profit corporations under the laws of the State of Arizona, as set forth in the Declaration (as amended from time to time) and in general as may be necessary and proper in the governance of the Association.

3. Membership

3.1 Non-Stock; No Dividend. The corporation shall be a non-profit, non-stock corporation and shall be owned by it's members. No dividends or pecuniary profits shall be paid to it's members. The members shall have no individual interest in the profits of the Association, if any.

3.2 Ownership Requirement. Membership in the corporation shall be limited to every owner of a Unit. Upon purchase of such Unit the purchaser thereof shall become a member of this corporation and such owner shall remain a member of this corporation until such member's death or until such time as such member's Unit is conveyed, at which time such member's membership in this corporation shall automatically cease.

3.3 List of Members. No certificates of membership shall be issued. Membership shall be evidenced by an official list of said members, which list shall be kept by the Secretary of the corporation. The membership held by any owner shall not be transferred, pledged or alienated in any way, except upon the conveyance of said owner's Unit, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the corporation.

3.4 Voting Rights. The Association shall have two classes of voting membership as provided in the Declaration.

#### 4. Board of Directors

4.1 Authority to Conduct Business; Number of Directors. The affairs and business of the Association shall be conducted by the Board of Directors who shall be members of the Association. The Board of Directors shall have the power to act in all instances on behalf of the Association, except as otherwise provided in the Declaration, these Articles and the Bylaws, to the extent permitted by law. The number of persons to serve on the Board of Directors shall be fixed by the Bylaws subject always to any restrictions of law as to the maximum and minimum number of Directors.

4.2 Election and Term of Office. At the first annual meeting of the Association the terms of office of the Directors shall be fixed in accordance with the Bylaws. Following the expiration of the initial terms, Directors shall be elected for three year terms. The Directors shall hold office until their successors have been elected and hold their first meeting.

4.3 Interim Board of Directors. The affairs of the Corporation shall be governed by an initial and Interim Board of Directors composed of three (3) persons elected at a meeting of the incorporators held at Bullhead City, Arizona, on the 15th day of August, 1996:

Name: JOEL I. ONTELL  
Address: Riverside Associates Limited Partnership  
72 Old Farms Road  
Woodcliff Lake, NJ 07675

Name: ANITA FISCHER  
Address: Riverside Associates Limited Partnership  
72 Old Farms Road  
Woodcliff Lake, NJ 07675

Name: DALE COLLINS  
Address: D & E Management  
3900 Frontage Road  
Bullhead City, AZ 86442

Except as otherwise provided, the Interim Board of Directors shall have the same powers and duties enumerated in the Declaration, these Articles and in the Bylaws for the elected Board of Directors.

#### 5. Incorporators

The incorporators of the corporation are:

Name: JOEL I. ONTELL  
Address: Riverside Associates Limited Partnership  
72 Old Farms Road  
Woodcliff Lake, NJ 07675

Name: ANITA FISCHER  
Address: Riverside Associates Limited Partnership  
72 Old Farms Road  
Woodcliff Lake, NJ 07675

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing, except that the Bylaws adopted by the incorporators shall be the initial Bylaws of this corporation until amended as provided herein.

#### 6. Assessments

All assessments of what ever type shall be levied and collected by the Board of Directors on behalf of the Association in the manner prescribed in the Declaration. Each member for each Unit owned shall pay to the Association an annual assessment equal to his proportionate share of the total sum necessary to provide for the insurance, reserve fund or replacements, maintenance and operation of the Common Areas.

#### 7. Reserve for Replacements

The corporation shall establish and maintain a reserve fund for replacements by the allocation and payment annually to such reserve fund in such amounts as are established by the Board of

Directors. Such fund shall be deposited in a special account with a safe and responsible depository and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund shall include funds for the periodic maintenance, repair and replacement of the Common Areas and properties owned by the corporation and for such other purposes as may be determined by the Board of Directors.

## 8. Insurance

8.1 Property Damage Insurance. The corporation shall keep the improvements now existing or hereafter erected on the property of the corporation insured against loss by fire and other hazards. Such insurance shall be evidenced by standard Fire and Extended Coverage insurance policy or policies in an amount not less than one hundred percent (100%) of current replacement cost of the improvements, exclusive of land, foundation, excavation and other items normally excluded from coverage.

8.2 Liability Insurance. The corporation shall maintain comprehensive liability insurance in an amount not less than \$1,000,000.00 per person, \$1,000,000.00 per accident, and \$1,000,000.00 property damage.

8.3 Fidelity Bond. The Corporation shall maintain Fidelity Bonds on all officers, directors or management agents employed by the association who handle or are responsible in any manner for funds of the association. The bond shall be in an amount not less than the total of one quarters dues and the reserve deposit in the Association.

8.4 Directors and Officers Liability Insurance. The corporation shall maintain Directors and Officers Insurance for the protection of the Directors and Officers of the Association in an amount not less than ONE MILLION and NO/100 DOLLARS (\$1,000,000.00).

8.5 Worker's Compensation. Should the corporation employ or retain employees, it shall obtain and maintain Worker's Compensation Insurance in accord with the laws of the State of Arizona.

## 9. Duration

The period of duration of this corporation shall be perpetual or such other shorter time as may be allowed as a maximum life for a non-profit corporation under the statutes of the State of Arizona.

10. Known Place of Business and Statutory Agent

The known place of business for the corporation is D & E Management, 3900 Frontage Road, Suite 1, Bullhead City, Arizona 86442. CHARLES W. GURTLER, JR., whose address is P. O. Box 20189, Bullhead City, Arizona 86439-0189; 2031 Highway 95, Bullhead City, Arizona 86442, and who has been a bona fide resident of the State of Arizona for at least three (3) years, is hereby appointed statutory agent of this corporation.

11. Indemnification

In addition to the indemnity provisions allowed by Statute and not by way of limitation thereof, this Association shall indemnify any and all of its directors, officers, management agents, committee members and former directors, officers, management agents and committee members against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person while acting within the scope of his authority as a director, officer, management agent or committee member of this corporation, 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. Anything contrary in the foregoing notwithstanding, the Board of Directors shall have the right to refuse indemnification as to expenses in any instance in which the person to whom indemnification would otherwise have been applicable shall have incurred expenses without approval by the Board of Directors which are excessive and unreasonable in the circumstances and are so determined by the Board of Directors, and as to expenses, judgments or penalties in any instance in which such person shall have refused unreasonably to permit this corporation, at its own expense and through counsel of its own choosing, to defend him in the action or to compromise and settle the action.

12. Private Property

The private property of the members, directors and officers of this corporation shall be forever exempt from its debts and obligations, except as otherwise provided herein.

13. Dissolution

Notwithstanding any provision of Arizona law to the contrary, this corporation may only be voluntarily dissolved by the members hereof if such dissolution is approved by a vote of eighty percent (80%) of the members then entitled to be cast by such members, and then entitled to be counted hereunder. The

assets shall be distributed to the members in accordance with Arizona law.

2 IN WITNESS WHEREOF, we have hereunto set our hands this day of October, 1996.

Incorporators:

[Signature]  
JOEL I. ONTELL

[Signature]  
ANITA FISCHER

STATE OF NJ )  
COUNTY OF Bergen ) SS

On this, the 2 day of October, 1996, before me, the undersigned notary public, personally appeared JOEL I. ONTELL known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]  
Notary Public

My Commission Expires:

1/16/01

STATE OF NJ )  
COUNTY OF Bergen ) SS

KATHLEEN S. RUH  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES  
JAN. 16 2001

On this, the 2 day of October, 1996, before me, the undersigned notary public, personally appeared ANITA FISCHER known to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


[Signature]  
Notary Public

My Commission Expires:

1/16/01

KATHLEEN S. RUH  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES  
JAN. 16 2001

I, CHARLES W. GURTLER, JR., having been designated to act as Statutory Agent, hereby consent to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

  
Statutory Agent