

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

ARTICLES OF INCORPORATION
OF
THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION

JUL 25 1997
No. C16079-97
Dean Heller
DEAN HELLER, SECRETARY OF STATE

ARTICLE I
NAME

The name of this nonprofit corporation (the "Association") is THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION.

ARTICLE II
RESIDENT AGENT

The initial resident Agent of the Association is Richard C. MacDonald, who maintains an office for service of process at 2920 North Green Valley Parkway, Suite 212, Las Vegas, Clark County, Nevada 89014.

ARTICLE III
ORGANIZATIONAL AUTHORITY

The Association is organized pursuant to Chapter 82 of the Nevada Revised Statutes ("NRS") as a nonprofit corporation and pursuant to NRS Chapter 116, the Nevada Uniform Common Interest Ownership Act (as now or hereafter in effect, the "Act"), as an association.

ARTICLE IV
PURPOSES

The general purpose for which this Association is formed is to provide for the management, maintenance, preservation and architectural control of The Foothills at MacDonald Ranch ("The Foothills"). The specific purposes covered by the general purpose include: (i) providing for the operation and maintenance of the "common elements," including "limited common elements" (as such terms are defined in the Act) relating to The Foothills; (ii) preserving, protecting and enhancing the values and amenities of The Foothills; (iii) promoting the health, safety and welfare of the owners and users of the properties included within The Foothills; and (iv) enforcing and administering the various provisions of the Declaration. The Foothills is a "common-interest community" (as defined in the Act) located in the City of Henderson, Clark County, Nevada, and the Association is the "Association" referred to in that certain Master Declaration of Covenants, Conditions and Restrictions for The Foothills at MacDonald Ranch (as amended, supplemented or restated from time to time, collectively, the "Declaration"), recorded or to be recorded in the Office of the County Recorder of Clark County, Nevada.

The Association may engage in any lawful activity in furtherance of its purposes. Without limiting the foregoing, the Association shall have the powers, rights and privileges now or hereafter given to nonprofit corporations under NRS Chapter 82, as now or hereafter in effect, and to "associations" under NRS 116.3102 or any other provision of the Act.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit (as defined in the Declaration) subject to the Declaration, including contract buyers, 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 a Unit. The Board of Directors may establish more than one class of membership from time to time.

When more than one person holds the required interest in a Unit, all such persons shall be members. In such event, any voting rights attributable to the Unit shall be exercised as the applicable members among themselves determine, and in no event shall the members be entitled to cast more than the number of votes attributable to the Unit itself.

ARTICLE VI LIABILITY OF MEMBERS

Without limiting the powers of the Association set forth in Article IV above, the Association may levy dues, assessments and fees against its members. The amount of such dues, assessments and fees shall be fixed from time to time by the board of directors in accordance with the Declaration. The methods of collection of the dues, assessments and fees shall be determined from time to time by the board of directors in accordance with the Declaration.

ARTICLE VII VOTING RIGHTS

The voting rights of members, including the qualifications, limitations and restrictions on those voting rights, shall be governed by the bylaws of the Association. Unless otherwise provided in the bylaws, each Member will be entitled to cast one (1) vote for each Unit owned by the Member. The board of directors is authorized to establish delegates having some or all of the authority of members in specified areas of The Foothills.

Unless otherwise provided in the bylaws and subject to such conditions as the bylaws may impose, a member shall have the right to cumulate his or her votes at an election of directors, and give one (1) candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the member is entitled, or to distribute the member's votes on the same principle among as many candidates as he or she shall think fit.

Without limiting the foregoing provisions of this Article, the bylaws may provide that membership rights and privileges, including the voting rights of a member, may be suspended by the board of directors during the period of time a member's assessments are unpaid. Neither the membership rights and privileges of the Declarant (as defined in the Declaration) nor the voting rights and privileges of the Declarant, however, may be suspended during a period in which the Declarant is not paying some or all of its assessments because of an agreement with the Association pursuant to which the Declarant maintains some or all of the Association's common elements or pays some or all of the Association's expenses in lieu of the payment of assessments.

ARTICLE IX BOARD OF DIRECTORS

The affairs of the Association shall be managed by a board of directors of not less than three nor more than seven directors, as required by the bylaws. With the exception of (a) directors appointed by the Declarant during the Declarant Control Period (as defined in the declaration) and (b) delegates of members appointed by proxy in accordance with the bylaws, each director must be a member of the Association. The bylaws may provide for directors to be elected by members or delegates in specific geographic areas of The Foothills or by specified classes of membership.

The initial board of directors shall consist of three (3) directors. The names and addresses of the three directors selected for the first year or until their respective successors have been elected and accepted office as members of the board of directors are:

Richard C. MacDonald
2920 North Green Valley Parkway
Suite 212
Henderson, Nevada 89014

Claire M. MacDonald
2920 North Green Valley Parkway
Suite 212
Henderson, Nevada 89014

Jerome D. Helton
2920 North Green Valley Parkway
Suite 212
Henderson, Nevada 89014

ARTICLE X DISSOLUTION OR TRANSFER OF ASSETS

So long as there is any Unit for which the Association is obligated to provide management, maintenance, preservation or control, then, without the approval of one hundred percent (100%) of

each class of its voting members, the Association or any person acting on its behalf shall not transfer all or substantially all of its assets or file a certificate of dissolution.

Upon dissolution of the Association, other than incident to a merger or consolidation, the net assets of the Association shall be distributed in accordance with the Declaration, subject to any contrary requirements of the Act.

ARTICLE XI
AMENDMENTS

Amendments to these Articles of Incorporation shall require the consent (by vote or written consent) of members representing sixty-seven percent (67%) or more of the voting power of each class of members.

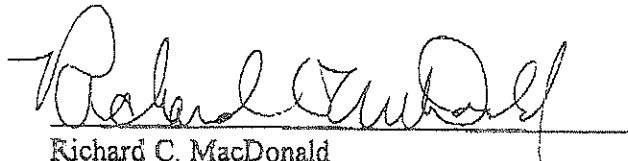
Notwithstanding the above or any other section of these Articles of Incorporation, the percentage of the voting power of the Association necessary to amend a specific clause or provision herein shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provisions.

ARTICLE XII
INCORPORATOR

The name and address of the Incorporator of this Association is as follows:

Richard C. MacDonald
2920 North Green Valley Parkway,
Suite 212
Las Vegas, Nevada 89014

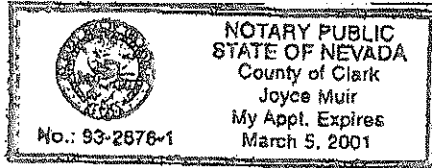
IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Nevada, the undersigned consents to the incorporation of the Association and has executed these Articles of Incorporation as of JULY 22, 1997.


Richard C. MacDonald

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on JULY 27, 1997 by Richard C. MacDonald.



Joyce Muir
Notary Public

My commission expires: 3-5-2001

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STATE OF NEVADA
Secretary of State

I hereby certify that this is a
true and complete copy of
the document as filed in this
office.

JUL 25 '97

Dean Heller

DEAN HELLER
Secretary of State

TV *Bette McQuinn*