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AZ CORPORATION COMMISSION
FILED

APR 04 2007

FILE NO. 1318113-4

ARTICLES OF INCORPORATION
OF
SIERRA HIGHLANDS RANCH
PROPERTY OWNERS ASSOCIATION
an Arizona nonprofit corporation

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1. Name. The name of the corporation is SIERRA HIGHLANDS RANCH PROPERTY OWNERS ASSOCIATION (the "Corporation").
2. Defined Terms. Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in Declaration of Covenants, Conditions and Restrictions for Sierra Highlands Ranch, recorded in the official records of the County Recorder of Apache County, Arizona (the "Declaration"), as such Declaration shall be amended from time to time.
3. Character of Business. The Association is organized as a nonprofit corporation pursuant to the Arizona Nonprofit Corporation Act. The character of business of the Corporation is to provide for the management, maintenance and care of the property owned by the property owners association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the property owners association, including but not limited to collecting any assessments required to be paid under the Declaration. The Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.
4. Membership and Voting Rights. The members of the Association ("Members") shall be Parcel Owners. All Parcel Owners shall be mandatory members of the Association, and no Member shall have the right to resign as a member of the Association. By acquiring fee title to or otherwise becoming the Owner of a Parcel, a Parcel Owner consents to becoming a member of the Association. Each Parcel Owner shall have such rights, privileges and votes in the Association as are set forth in the Declaration and any Bylaws, rules and regulations the Association is authorized to adopt or promulgate pursuant to the Declaration. The provisions of the Declaration with respect to membership in the Association and the voting rights of the Members are hereby incorporated in these Articles by reference.
5. Board of Directors. The initial board of directors shall consist of two (2) directors. The names and address of the persons who are to serve as the directors until the first annual meeting of the members, if a member Corporation, or Board of Directors, if the Corporation has no members, or until their successors are elected and qualified are:

Richard D. Schust
5555 E. Van Buren Suite 210

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Richard F. Peagler
5555 E. Van Buren Suite 210
Phoenix, AZ 85008

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws.

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws in order to: (a) comply with any applicable law if the amendment does not adversely affect the rights of any Parcel Owner; (b) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect any Parcel Owner; or (c) comply with the requirements or guidelines of any federal, state or local governmental agency whose approval of the Declaration is required by law or requested by Declarant or the Board of Directors of the Association.

6. Known Place of Business. The street address of the known place of business of the Corporation is 5555 E. Van Buren, Suite 210, Phoenix, AZ 85008.
7. Statutory Agent. Richard F. Peagler, whose address is 5555 E. Van Buren, Suite 210, Phoenix, Arizona 85008, and who is a resident of the State of Arizona, is hereby appointed and designated as the initial statutory agent for the Corporation.
8. Limitation of Liability. The personal liability of a director of the Association to the Association or its members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time. Any repeal or modification of this Article 8 shall be prospective only and shall not adversely affect the personal liability of a director or prior director for any act or omission occurring prior to the effective date of such repeal or modification.
9. Indemnification of Officers, Directors, Employees and Agents. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he is or was a member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

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Any indemnification of the members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the provisions of the Arizona Revised Statutes pertaining to nonprofit corporations. Any repeal or modification of this Article 9 shall be prospective only and shall not adversely affect, defeat or limit the right of any person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

10. Amendments. These Articles may be amended by Members holding at least fifty percent (50%) of the total votes in the Association, except that the Board, without a vote of the Members, may amend the Articles in order to: (a) comply with any applicable law if the amendments does not adversely affect the rights of any Parcel Owner, (b) correct any error or inconsistency in the Articles if the amendment does not adversely affect any Parcel Owner, or (c) comply with the requirements or guidelines of any federal, state or local governmental agency whose approval of the Declaration is required by law or requested by the Declarant or the Association. Any amendment to these Articles must be approved in writing by the Declarant so long as the Declarant owns one or more Parcels.
11. Disolution. The Association may be dissolved upon the termination of the Declaration with the consent given in writing and signed by the Parcel Owners required to effect such termination pursuant to the provisions of the Declaration. So long as Declarant owns any Parcel, the Association may not be dissolved without the prior written approval of the Declarant.
12. Duration. The Corporation shall exist perpetually.
13. Incorporator. The name and address of the incorporator is:

Richard D. Schust
5553 E. Van Buren
Suite 210
Phoenix, AZ 85008

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.

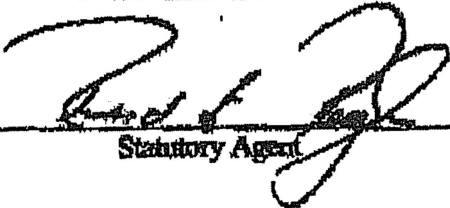
EXECUTED this 17th day of April, 2007 by the incorporator.


Richard D. Schust, Incorporator

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ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named Corporation effective this 7 day of April, 2007.



Statutory Agent

**NONPROFIT
CERTIFICATE OF DISCLOSURE**

Pursuant to A.R.S. § 10-3202 (D) **SIERRA HIGHLANDS RANCH
PROPERTY OWNERS ASSOCIATION**
EXACT CORPORATE NAME

- A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:
1. Been convicted of a felony involving a transaction in securities, consumer fraud or embezzlement in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
 2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
 3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
 - (b) involved the violation of the consumer fraud laws of that jurisdiction?; or
 - (c) involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes _____ No X

B. IF YES, the following information MUST be attached:

- | | |
|---|---|
| 1. Full name and prior name(s) used. | 6. Social Security number. |
| 2. Full birth name. | 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and the or cause number of case. |
| 3. Present home address. | |
| 4. Prior addresses (for immediate preceding 7-year period). | |
| 5. Date and location of birth. | |

- C. Has any person serving as an officer, director, trustee or incorporator of the corporation, served in any such capacity in any other corporation in any jurisdiction on the bankruptcy, receivership, charter revocation, administrative dissolution or judicial dissolution of the other corporation?

Yes _____ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- | | |
|---|---|
| 1. Name and address of the corporation. | 4. Dates of corporate operation. |
| 2. Full name, including alias and address of each person involved. | 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case. |
| 3. State(s) in which the corporation: <ol style="list-style-type: none"> (a) Was incorporated, (b) Has transacted business. | |

D. The fiscal year end adopted by the corporation is 12/31

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY R. O. Delgado DATE 4-12-07

TITLE Incorporator

BY K. R. [Signature] DATE 4-12-07

TITLE K. R.

BY _____ DATE _____

TITLE _____

BY _____ DATE _____

TITLE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE.
(If more than four incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty (60) days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

PHOENIX OFFICE
1300 West Washington
Phoenix, Arizona 85007-2020
Phone: (602) 542-3026
Toll Free (AZ only): 1-800-345-5810
www.azcc.gov



**ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION**

TUCSON OFFICE
400 West Congress, Suite #221
Tucson, Arizona 85701-1347
Phone: (520) 628-6568
Toll Free (AZ only): 1-800-345-5810
www.azcc.gov

**NEWSPAPERS ACCEPTABLE FOR PUBLISHING
DOCUMENTS APPROVED BY THE CORPORATIONS DIVISION**

Qualifying newspapers must comply with Arizona Revised Statutes Title 10, 29 and 39

ALBUQUERQUE

NAVAJO TIMES
P.O. BOX 310
WINDOW ROCK, AZ 86515
928-871-5400

WHITE MOUNTAIN INDEPENDENT
(APACHE EDITION)
PO BOX 1058
SPRINGERVILLE, AZ 85938
928-537-5721

WHITE MOUNTAIN INDEPENDENT
(APACHE EDITION)
PO BOX 639
ST JOHN, AZ 85936
928-337-4662

BIRMINGHAM

SAN PEDRO VALLEY NEWS-SUN
P.O. DRAWER 1000
200 S. OCOTILLO
BENSON, AZ 85602-6407
520-586-3382

ARIZONA RANGE NEWS
P.O. BOX 1155
122 S. HASKELL
WILCOX, AZ 85644
520-384-3571

THE DAILY DISPATCH
530 11TH STREET
DOUGLAS, AZ 85607
520-364-3424

THE BISBEE OBSERVER
7 BISBEE ROAD, #1
BISBEE, AZ 85603
520-432-7254

FIVE STAR PUBLISHING
MOUNTAIN VIEW NEWS
1835 PASEO SAN LUIS
SIERRA VISTA, AZ 85635
520-458-3340

SIERRA VISTA DAILY HERALD
BISBEE DAILY REVIEW
102 FAB AVENUE
SIERRA VISTA, AZ 85635
520-458-9440

FLAGSTAFF

THE ARIZONA DAILY SUN
P.O. BOX 1849
FLAGSTAFF, AZ 86001
928-774-4545

NAVAJO HOPI OBSERVER
2224 E. CEDAR AVENUE, SUITE 2
FLAGSTAFF, AZ 86004
928-226-9696

LAKE POWELL CHRONICLE
P.O. BOX 1716
PAGE, AZ 86040
928-645-8888

WILLIAMS-GRAND CANYON NEWS
P.O. BOX 667
WILLIAMS, AZ 86046
928-635-4426

SEDONA RED ROCK NEWS
P.O. BOX 619
298 VANDEREN
SEDONA, AZ 86336
928-282-7795

GLAZESBORO

THE PAYSON ROUNDUP
P.O. BOX 2520
708 N. BEELINE HWY
PAYSON, AZ 85541
928-474-5251

ARIZONA SILVER BELT
P.O. BOX 31
GLOBE, AZ 85502
928-425-7121

THE SAN CARLOS APACHE
MOCCASIN
298 N. PINE STREET
GLOBE, AZ 85501
928-425-7121

GREENSBORO

EASTERN ARIZONA COURIER
301 E. HWY 70, SUITE A
SAFFORD, AZ 85546
928-428-2287

PHOENIX

THE COPPER ERA
P.O. BOX 1357
CLIFTON, AZ 85533
928-865-4237

PHOENIX

ARIZONA BUSINESS GAZETTE
P.O. BOX 194
PHOENIX, AZ 85001
602-444-7315

ARIZONA CAPITOL TIMES
P.O. BOX 2260
PHOENIX, AZ 85007
602-258-7026

ASIAN AMERICAN TIMES
2011 SOUTH HENKEL CIRCLE
MESA, AZ 85202
(480) 839-5139

PHOENIX TIMES
7122 N. 59TH AVENUE
GLENDALE, AZ 85301
623-842-6000

JEWISH NEWS
1625 E. NORTHERN AVENUE, #106
PHOENIX, AZ 85020
602-870-9470

GLENDALE STAR
7122 N. 39TH AVENUE
GLENDALE, AZ 85301
623-842-6000

WICKENBURG SUN
180 N. WASHINGTON STREET
WICKENBURG, AZ 85390
928-684-3185

WEST VALLEY VIEW
200 W. WIGWAM BLVD.
LITCHFIELD PARK, AZ 85340
623-535-8439

DAILY NEWS SUN
10102 SANTA FE DRIVE
SUN CITY, AZ 85351
623-977-8351