

ARTICLES OF INCORPORATION
OF
NOBLE MOUNTAIN COMMUNITY ASSOCIATION

In compliance with the requirements of A.R.S. Section 10-1001 et. seq., as amended, the undersigned, who is eighteen years of age or more, this day, voluntarily, for the purpose of forming a corporation not for profit, hereby certifies as follows:

ARTICLE I

DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NOBLE MOUNTAIN ESTATES, which was recorded on June 3rd, 1994, as *Book 752 Pages 131-165*, in the Records of Apache County, Arizona (hereinafter referred to as the "Declaration"). As provided in the Declaration, ESCUDILLA CATTLE COMPANY, an Arizona limited partnership, is the "Declarant".

ARTICLE II

NAME

The name of the corporation is NOBLE MOUNTAIN COMMUNITY ASSOCIATION, hereinafter called the "Association".

ARTICLE III

KNOWN PLACE OF BUSINESS

The initial known place of business of the Association is located at 1216 South Doran, Mesa, Arizona 85204.

ARTICLE IV

STATUTORY AGENT

J. Harris Crosby, a bona fide resident of the State of Arizona for the last three years, whose address is 1216 South Doran, Mesa, Arizona, 85204, is hereby appointed the initial Statutory Agent of this Association.

intestate succession, testamentary disposition, foreclosure of an encumbrance of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VII

VOTING RIGHTS

Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant until the termination of the Class B membership. Each Class A Member shall be entitled to one (1) vote for each Lot owned.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier to occur of the following events:

(a) One hundred and twenty days after the date when the total votes outstanding in the Class A memberships equal the total votes outstanding in the Class B memberships; or

(b) When the Declarant notifies the Association in writing that it relinquishes its Class B membership.

Joint Ownership. When more than one person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The vote or votes for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed that he was acting with the authority and consent of all other Owners of that same Lot, but in the event more than one ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Corporate Ownership. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership. In the absence of such designation and until such designation is made, the president, general partner or other chief executive officer of such corporation, partnership or association shall have the power to vote the membership.

Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any Assessments or other amounts due under any of the provisions of the Declaration for a period of ten (10) days, that Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. In addition, the Board may suspend an Owner's right to vote for a period not exceeding sixty (60) days for any other infraction of the Declaration.

ARTICLE VIII

BOARD OF DIRECTORS

The Association shall be managed by a Board of Directors who need not be Members of the Association and shall have the Exclusive right of determining and transacting the affairs of the Association. Except as provided in the Bylaws, directors shall hold office for two years or until their successors are elected and qualified. They shall be elected at the annual meeting of the Members, however, directors may be replaced as provided in the Bylaws. The Board will consist of not less than three nor more than seven directors as established by the Bylaws. The names and addresses of the persons who will serve as directors of the corporation until the selection of their successors are:

J. Harris Crosby
1216 South Doran
Mesa, Arizona 85204

Wallace O. Tanner
6043 North 42nd Street
Phoenix, Arizona 85253

J. Russell Crosby
454 South Mountain Avenue
P.O.Box 1999
Springerville, Arizona 85938

ARTICLE IX

OFFICERS

The affairs of the Association are to be conducted by such officers as are specified in the Bylaws and shall be elected by the Board of Directors as provided in the Bylaws.

ARTICLE X

BYLAWS

The Board of Directors shall have the power and authority to enact Bylaws and amendments thereto which are not inconsistent with the provisions hereof and not inconsistent with the Declaration.

ARTICLE XI

DURATION

The Association shall commence on the date the Arizona Corporation Commission shall file these Articles of Incorporation and the duration shall be perpetual.

ARTICLE XIII

AMENDMENTS

Amendment of these Articles shall require the assent of two-thirds of the total authorized votes entitled to be cast by the Members at an election duly noticed and held for such purpose. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of these Articles without the consent of other Members to such extent and with such language as may be requested by the Veterans Administration, the Federal Housing Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, as a condition precedent to such agency's approval of the Declaration or of these Articles, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any of the Lots or as may be appropriate to bring these Articles into conformity with the Declaration, as the same may be from time to time amended. It is the desire and intention of the Declarant (but without obligation) to retain control of the Association and its activities during the anticipated period of planning and development of the Lots. As long as the Declarant owns a Lot, any amendment which deletes, diminishes or alters the rights of the Declarant hereunder shall require the written approval of the Declarant.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved by the affirmative vote of Members casting not less than two-thirds of the total votes permitted to be cast by the Members at an election held for that purpose. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency or shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be used for purposes similar to those for which this Association was created.

ARTICLE XIV

APPROVALS BY VA OR FHA

So long as there is a Class B membership, the following actions may require the prior approval of the Veterans

Administration or the Federal Housing Administration: mergers, consolidations, dissolution, amendment or these Articles, and mortgaging or dedicating the Common Area.

ARTICLE XV

INCORPORATOR

The name and address of the incorporator is as follows:

J. Harris Crosby
1216 South Doran
Mesa, Arizona 85204

ARTICLE XVI

INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

ARTICLE XVII

INDEMNIFICATION AND LIMITATION OF LIABILITY

The Association shall indemnify all of its directors, committee members and officers, and its former directors, committee members and officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation, legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her authority as a director, committee member or officer of the Association, provided that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Except as prohibited by law, directors, committee members and other persons serving on the Board or a committee in any advisory capacity shall have no personal liability to the Association or its Members for monetary damages for a breach of fiduciary duty.

Dated this 9th day of June, 1994.



J. Harris Crosby