

ARTICLES OF INCORPORATION
OF
DESERT RIDGE TRAILS HOMEOWNERS ASSOCIATION
a New Mexico non-profit corporation

Pursuant to the provisions of the New Mexico Nonprofit Corporation Act (Sections 53-8-1 et seq., NMSA 1978), the undersigned incorporator, being a New Mexico corporation, and being desirous of forming a New Mexico nonprofit corporation, hereby adopts the following Articles of Incorporation. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration (defined below).

ARTICLE
I.
Name

The name of the corporation (herein "the Corporation" or the "Association") is **DESERT RIDGE TRAILS HOMEOWNERS ASSOCIATION**.

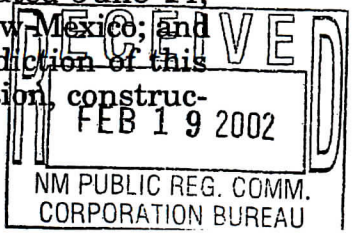
ARTICLE
II.
Duration

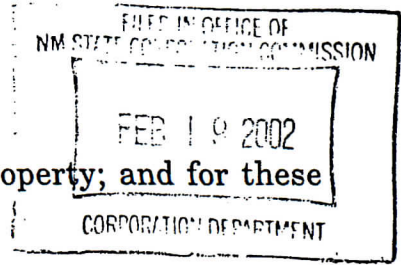
The period of duration of the Corporation is perpetual.

ARTICLE
III.
Purposes and Powers

The Corporation shall not afford, directly or indirectly, pecuniary gain or profit to its members. The purposes for which the Corporation is formed and which it is authorized to pursue are:

A. To operate exclusively for the benefit of, and to promote the health, safety, and welfare of, the residents of **DESERT RIDGE TRAILS SUBDIVISION, UNIT 1**, an addition to the City of Albuquerque, County of Bernalillo, State of New Mexico, as the same is shown and designated on the Plat of **DESERT RIDGE TRAILS SUBDIVISION, UNIT 1**, which was filed on February 8, 2002, as Document No. 2002017575, and recorded in Vol. 2002C, at page 46, of the records of Bernalillo County, New Mexico, and the Amended Site Development/Utility Plan of **DESERT RIDGE TRAILS**, Project No. 1001068, Application No. 01420-0000048, prepared by **MARK GOODWIN & ASSOCIATES, P.A.**, Consulting Engineers, dated June 14, 2001, which was approved and accepted by the City of Albuquerque, New Mexico; and such additions thereto as may hereafter be brought within the jurisdiction of this Corporation by annexation ("Subdivision"); and to provide for acquisition, construc-





tion, management, maintenance, and care of Association property; and for these purposes, to:

1. Provide for the administration, operation, management, maintenance, preservation, and control of the Subdivision;

2. Exercise all rights and powers granted to the Corporation and perform all duties and obligations incumbent upon the Corporation as expressed in or implied from the Declaration of Covenants, Conditions, and Restrictions for DESERT RIDGE TRAILS SUBDIVISION, UNIT 1, an Addition to the City of Albuquerque, New Mexico ("Declaration"), which Declaration was filed in the office of the County Clerk of Bernalillo County, New Mexico, on February 19, 2002, as Document No. 2002021736, and recorded in Vol. A32 at pages 1673---, of the records of Bernalillo County, New Mexico, including, without limitation, enforcement of the provisions of the Declaration;

3. Acquire, own, construct, operate, manage, maintain, care for, and improve for those areas and facilities of the Subdivision which are designated as "Common Facilities";

4. Provide maintenance, preservation, and architectural control of the Lots, Dwelling Units, Common Facilities, and Public Facilities within the Subdivision;

5. Fix and collect all assessments and charges to be levied against the Lots located within the Subdivision;

6. Enforce all covenants, conditions, restrictions, design standard, rules and regulations, and agreements applicable to the Subdivision;

7. Pay all taxes and assessments, if any, levied against the Common Facilities; and

8. Insofar as permitted by law, do any other thing that, in the opinion of the Board of Directors ("Board"), will promote the common benefit, health, safety, welfare, and enjoyment of the residents of the Subdivision, including without limitation, any or all of the following acts:

a. Provide or supplement municipal or utility services; and

b. Receive, administer, and apply all funds generated by assessments for the common benefit of the Members of the Association.

B. To take and hold title to, and to own, construct, operate, manage, maintain, care for, and improve, the Common Facilities for the benefit of the Members and the residents of the Subdivision.

C. To accomplish the foregoing purposes, the Corporation shall have the power and authority to perform all acts, and to exercise all powers, authorized by the

New Mexico Nonprofit Corporation Act, as amended from time to time, and all other applicable laws with respect to nonprofit corporations, which powers shall include but not be limited to the following, in furtherance of and not in limitation of the business and purposes of the Corporation as hereinbefore set forth:

1. To do any and all things herein set forth as purposes, powers, or otherwise, either alone or in conjunction with others;

2. To receive and administer funds and contributions received by gift, deed, bequest, or devise, and otherwise to acquire money, securities, properties, rights, and services of every kind and description, and to hold, invest, expend, contribute, use, sell, or otherwise dispose of any money, securities, properties, rights, or services so acquired for the purposes referred to herein;

3. To lend money, make loans, discount bills, and purchase notes and other commercial paper; to buy and sell securities; to make investments and grants; and, otherwise, to engage in financial transactions of all types with persons, governments, and governmental agencies for the purposes referred to herein, but nothing contained herein shall be construed as authorizing the Corporation to engage in the business of a commercial bank, savings bank, or trust company;

4. To borrow money and to make, accept, endorse, execute, and issue bonds, debentures, promissory notes, and other corporate obligations for money borrowed, or in payment for property acquired, or to secure payment of any such obligation by mortgage, pledge, deed, indenture, agreement, or other instrument of trust, or by other lien upon, assignment of, or agreement in regard to all or any part of the properties, rights, or privileges of the Corporation;

5. To invest, reinvest, and lend its funds in such mortgages, bonds, notes, debentures, shares of preferred and common stock, and any other securities of any kind whatsoever, and properties, real, personal, or mixed, tangible or intangible, for the purposes referred to herein;

6. To acquire by purchase or otherwise, own, hold, operate, use, improve, lease, rent, sell, convey, dispose of, encumber, and otherwise engage and deal in, properties, property rights, and assets of every kind, with or without undertaking, either in whole or in part, liabilities of any person, partnership, firm, association, limited liability company, or corporation; and to pay for the same in cash, stock, bonds, or otherwise; to hold, maintain, and operate, or in any manner dispose of, the whole or any part of the properties, property rights, and assets of every kind so acquired; and to conduct in any lawful manner the whole or any part of the properties so acquired for the purposes referred to herein;

7. To carry out any business whatsoever for the purposes referred to herein;

8. To enter into, make, perform, and carry out contracts, agreements, commitments, assurances, and leases of every kind for the purposes for which this Corporation is organized with any person, partnership, firm, association, limited

liability company, corporation, government, and governmental agency, for the purposes referred to herein; and

9. In doing, exercising, or performing any of the foregoing, to do the same as a contractor, subcontractor, principal, agent, employee, or on its own account, or in association, partnership (general and/or limited partnership as a general and/or limited partner), limited liability company, corporation, joint venture, or any other relationship with any other person, firm, partnership, association, limited liability company, corporation, government, and governmental agency.

The foregoing provisions of this Article III shall be construed both as purposes and powers and each as an independent purpose and power; it being the intent of the undersigned incorporator that each of the foregoing purposes and powers shall be independent of and shall not be restricted by any other of the foregoing purposes and powers; and it further being the intent of the undersigned incorporator that each of the foregoing purposes and powers may be pursued independently of or in connection with any other of the foregoing purposes and powers. The foregoing enumeration of specific purposes and powers is by way of example and not by way of limitation and shall not be held or construed to limit or restrict in any manner the purposes and powers of the Corporation, and the purposes and the powers herein specified shall not be limited or restricted by reference to, or inference from, the terms of any provision of any Article of these Articles of Incorporation; provided only that nothing herein contained shall be construed as authorizing the Corporation to carry on any business or to exercise any power not permitted by the New Mexico Nonprofit Corporation Act, as it may be amended from time to time.

All of the foregoing purposes and powers shall be exclusively for such charitable, benevolent, eleemosynary, educational, and other purposes as are within the meaning of Section 528 of the U.S. Internal Revenue Code, as from time to time amended. The Corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity, that would prevent it from obtaining and retaining exemption from U.S. income taxation as a corporation described in Section 528 of the U.S. Internal Revenue Code, as it may be amended from time to time, or cause it to lose such exempt status.

ARTICLE

IV.

Limitations Upon Capacity, Authority, and Powers of the Corporation

The Corporation shall not be operated for, and shall not afford to its members, profit or pecuniary gain, directly, indirectly, incidentally, or otherwise; no profit or pecuniary gain of the Corporation shall inure, directly or indirectly, to the benefit of any member thereof; and the Corporation shall not carry on propaganda, or otherwise attempt to influence legislation, nor participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

Upon the dissolution, winding up, or other liquidation of the Corporation or its assets, no part of the property of the Corporation, nor any of the proceeds thereof, shall be distributed to, or inure to, directly or indirectly, the benefit of, any member, director, or officer of the Corporation or any contributor to the Corporation; and no member, director, or officer of the Corporation shall be entitled to any distribution of the property of the Corporation or the proceeds thereof; and all property of the Corporation, and the proceeds thereof, received from any source whatever, including receipts from its operations, shall, subject to the discharge of valid obligations of the Corporation and to applicable provisions of law, be distributed, within the intendment of Section 528 of the U.S. Internal Revenue Code, as it may be amended from time to time, and as directed by the members of the Corporation, provided that no part of the property of the Corporation, or any of the proceeds thereof, shall be distributed to any organization of which any part of the net earnings inures to the benefit of any private shareholder, member, or individual of any organization which carries on propaganda, or otherwise attempts to influence legislation, or participates financially in any political campaign.

ARTICLE

V.

Address of Registered Office and Name of Registered Agent

The address of the registered office of the Corporation is 8300 Carmel Drive, N.E., Suite 401, Albuquerque, New Mexico 87122, and the name of the registered agent of the Corporation at that address is John Clarke.

ARTICLE

VI.

Board of Directors

The affairs of the Corporation shall be managed by a board of directors to be known as the "Board." Directors need not be residents of New Mexico and need not be members of the Corporation. The By-Laws may prescribe other qualifications for Directors. The Board shall comprise such number of Directors, not less than three (3), as shall be fixed from time to time by the By-Laws. In the absence of a By-Law fixing the number of Directors, there shall be three (3) Directors.

The number of Directors constituting the initial Board is three (3), and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the membership of the Corporation or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Scott Schiabor	8300 Carmel Drive, N.E., Suite 401 Albuquerque, New Mexico 87122

Bob Sahd

8300 Carmel Drive, N.E., Suite 401
Albuquerque, New Mexico 87122

John Clarke

8300 Carmel Drive, N.E., Suite 401
Albuquerque, New Mexico 87122

**ARTICLE
VII.**

Name and Address of Sole Incorporator

The name and address of the sole incorporator are as follows:

MESA VERDE DEVELOPMENT CORPORATION
a New Mexico corporation
8300 Carmel Drive, N.E., Suite 401
Albuquerque, New Mexico 87122

**ARTICLE
VIII.**

Other Provisions

A. **By-Laws and Rules and Regulations.** In addition to other powers now or hereafter conferred upon the Board by these Articles of Incorporation, or by the laws of the State of New Mexico, and as may be limited hereby or by the Declaration or the By-Laws, the Board shall have the power to adopt, alter, amend, or repeal the By-Laws of the Corporation, with the affirmative vote of two-thirds (2/3rds) of the votes of the Members entitled to vote, who are voting in person or by proxy at a special meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance of such special meeting and shall set forth the purpose of the meeting. Further, the Board shall have the power to adopt, alter, or repeal the Rules and Regulations of the Corporation without the vote of the Members. The By-Laws and the Rules and Regulations may contain such provisions as are not inconsistent with these Articles of Incorporation, the Declaration, or other applicable laws.

B. **Membership.** The membership of DESERT RIDGE TRAILS HOME-OWNERS ASSOCIATION at all times shall consist exclusively of all the Owners of Lots, as defined in the Declaration. Each Owner, including the Declarant, as defined in the Declaration, shall automatically be a member of the Association by virtue of his, her, or its ownership of a Lot; provided, however, that any such person or entity who or which holds such an interest merely as security for the performance of any obligation shall not be a Member. Membership in the Association shall be appurtenant to, and shall not be separated from, the ownership of the Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. Upon the transfer of the fee-simple title to the Lot, howsoever caused or brought about, the membership of the transferor shall automatically cease, and the transferee shall automatically be and become a member of the Association.

C. Voting Rights and Control by the Declarant. The Corporation shall have two classes of voting membership:

1. Class A. Class A Members shall be all of those Members as defined in Paragraph B of this Article VIII, with the exception of the Declarant as defined in the Declaration. On all matters to be voted upon, Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership as provided in Paragraph B of this Article VIII. When more than one person or entity holds such interest in a Lot, all such persons or entities shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

2. Class B. The Class B Member shall be the Declarant as defined in the Declaration. On all matters to be voted upon, the Class B Member shall be entitled to ten (10) votes for each Lot in which it holds the interest required for membership as provided in Paragraph B of this Article VIII, provided that the Class B membership shall cease and become converted to Class A membership on the earlier to occur of the following event or date:

a. when ninety percent (90%) of all Lots comprising the Subdivision are deeded to Owners other than the Declarant; or

b. on December 31, 2010.

From and after the earlier to occur of the event or date stated above, the Class B Member shall be deemed to be a Class A Member, entitled to one (1) vote for each Lot in which it holds the interest required for membership as provided in Paragraph B of this Article VIII.

D. Suspension of Membership Rights. Rights of membership, including the right to vote, the right to participate in Association affairs, and/or the right to use and enjoy the Common Facilities, may be suspended by the Board for any period during which the following-described delinquency or delinquencies shall continue upon written notice to any Lot Owner who: (i) fails, neglects, or refuses to pay any assessment or other amount due and payable to the Association levied by the Board for more than thirty (30) days after it is due, as provided in the Declaration, or (ii) continues to violate any provision of the Declaration, these Articles, the By-Laws, or the Rules and Regulations after written notice by the Board.

E. Amendments. These Articles may be amended, altered, changed, modified, or repealed in the manner now or hereafter prescribed by law, with the affirmative vote of two-thirds (2/3rds) of the votes of Members entitled to vote, who are voting in person or by proxy at a special meeting of Members duly called for this purpose, written notice of which meeting shall be mailed to all Members at least thirty (30) days in advance of such special meeting and shall set forth the purpose of the meeting, provided that the voting and quorum requirements specified for any action under any provision of this Article VIII shall apply also to any amendment of such provision; and provided further that no amendment shall be effective to impair

or dilute any rights of Members that are governed by the provisions of the Declaration (as, for example, membership and voting rights) which are part of the property interests created thereby.

F. Additions to the Existing Property. Additions to the Existing Property may be made only in accordance with the provisions of the Declaration applicable to the Existing Property. Such additions, when properly made under the Declaration, shall extend the jurisdiction, functions, duties, and membership of the Corporation to such additional properties. Where applicable provisions of the Declaration require that certain additions be approved by the Corporation, such approval must have the affirmative vote of two-thirds (2/3rds) of the votes of Members entitled to vote, who are voting in person or by proxy at a special meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance of such special meeting and shall set forth the purpose of the meeting.

G. Mergers and Consolidations. Subject to the provisions of the Declaration and to the extent permitted by law, the Corporation may participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes, provided that any such merger or consolidation shall have the affirmative vote of two-thirds (2/3rds) of the votes of Members entitled to vote, who are voting in person or by proxy at a special meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance of such special meeting and shall set forth the purpose of the meeting.

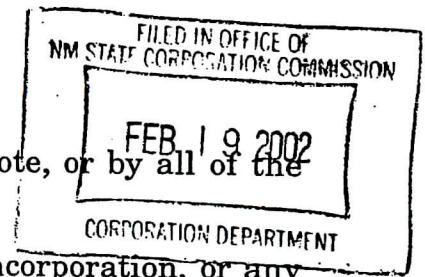
H. Quorum for Any Action Governed by This Article VIII. The quorum required for any action governed by this Article VIII shall be as follows:

At the meeting of Members duly called as provided in this Article VIII, the presence of Members at the meeting of Members, in person or by proxy, entitled to cast ten percent (10%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any such meeting on the first call therefor, the Members present and entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present. A quorum once attained continues until adjournment despite withdrawal of enough Members to leave less than a quorum.

All other quorum requirements shall be as set forth in the By-Laws.

I. Action by Members or Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Members or Directors of the Corporation may be taken without a meeting if a consent in writing, setting forth the

action so taken, is signed by all of the Members entitled to vote, or by all of the Directors, as the case may be.



J. Severability. If any Article of these Articles of Incorporation, or any term, condition, or other provision thereof, or the application thereof to any person or entity or circumstance, shall, to any extent, be held invalid or unenforceable, the remainder of these Articles of Incorporation and the application of such Article of these Articles of Incorporation, or such term, condition, or other provision thereof, to persons or entities or circumstances, other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby; and these Articles of Incorporation and each term, condition, and other provision of these Articles of Incorporation shall otherwise be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of New Mexico, the undersigned corporation constituting the sole incorporator of this nonprofit corporation has made and signed these Articles of Incorporation on this 15th day of February, 2002.

MESA VERDE DEVELOPMENT CORPORATION
a New Mexico corporation

By _____

Scott Schiabor
President
8300 Carmel Drive, N.E., Suite 401
Albuquerque, New Mexico 87122


FILED IN OFFICE OF
NM STATE CORPORATION COMMISSION
FEB 19 2002
CORPORATION DEPARTMENT

VERIFICATION

STATE OF NEW MEXICO)
(ss.
COUNTY OF BERNALILLO)

SCOTT SCHIABOR, hereby certifies as follows:

That I am President of MESA VERDE DEVELOPMENT CORPORATION, a New Mexico corporation, the sole incorporator which signed the foregoing Articles of Incorporation; that I am authorized to make and swear to this Verification; that I have read the foregoing Articles of Incorporation; and that the statements contained therein are true and correct.



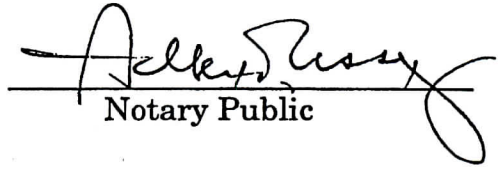
Scott Schiabor

SUBSCRIBED to before me this 15th day of February, 2002.

(SEAL)

My commission expires:

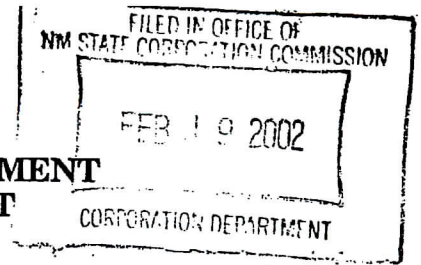
Oct. 31, 2013



Notary Public

RECEIVED
FEB 19 2002
NM PUBLIC REG. COMM.
CORPORATION BUREAU

**AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED REGISTERED AGENT**



To the New Mexico Public Regulation Commission:

STATE OF NEW MEXICO)
 (ss.
COUNTY OF BERNALILLO)

On February 4, 2002, before me, a Notary Public in and for the State and County aforesaid, personally appeared JOHN CLARKE, who is to me known to be the person described herein and who, being by me duly sworn, acknowledged to me that he does hereby accept his appointment as the registered agent of DESERT RIDGE TRAILS HOMEOWNERS ASSOCIATION, a New Mexico non-profit corporation, the corporation which is applying for a certificate of Incorporation pursuant to the provisions of the New Mexico Nonprofit Act of the State of New Mexico.


John Clarke

SUBSCRIBED AND SWORN TO before me on the day, month, and year first above set forth.

(SEAL)

My commission expires: Oct. 31, 2003


Notary Public

