

OFFICE OF THE NEW MEXICO SECRETARY OF STATE

ENTRUST ASSOCIATION MANAGEMENT
ATTN: JON MCCORMICK
2823 RICHMOND DRIVE NE
ALBUQUERQUE, NM 87107



PAYMENT RECEIPT

PAYMENT RECEIPT NUMBER: 120483
PROCESSED DATE: 08/31/2017

PAYEE INFORMATION

Payee: Jon McCormick 2823 Richmond Drive NE Albuquerque, NM 87107	Payee ID: 000018004
Email: JON@ENTRUSTAM.COM	Telephone Number: (505) 266-2000

TRANSACTION DESCRIPTION

Transaction Type: BUSINESS FORMATION	Expedite: NONE	Entity Type: Domestic Nonprofit Corporation
Business Name: Desert Sands Community Association	Filing Date: 08/28/2017	Business ID #: 5513480
Workorder #: 2016222442	Number of Pages: 6	

PAYMENT INFORMATION

Business Formation: \$25.00 Certificate of Comparison: \$0.00	
Total Payment Amount: \$25.00	
PaymentType	PaymentInfo
Pre-Paid Account	18004 FOR \$25.00

DOCUMENT DELIVERY

Source: Mail	Type: N/A	Tracking #: N/A
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OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

August 31, 2017

ENTRUST ASSOCIATION MANAGEMENT
JON MCCORMICK
2823 RICHMOND DRIVE NE
ALBUQUERQUE, NM 87107

**RE: Desert Sands Community Association
Business ID #: 5513480**

The Office of the Secretary of State has approved and filed the Articles of Incorporation for the above captioned nonprofit corporation effective August 28, 2017. The enclosed Certificate of Incorporation is evidence of filing, and should become a permanent document of the corporation's records.

Please be advised that although the Certificate of Incorporation has been approved, you must also comply with all other federal or state laws applicable to your nonprofit corporation. This includes, but is not limited to state licensing requirements. It is the corporation's sole responsibility to obtain such compliance with all legal requirements applicable thereto prior to engaging in the business for which it has obtained approval of the referenced document.

Pursuant to Chapter 53, Article 8 NMSA 1978 Nonprofit Corporations Act, (53-83-83), you are required to file an initial corporate report with a filing fee of \$10 by September 30, 2017. Thereafter, a corporate report must be filed annually on or before the fifteenth day of the fifth month following the end of its taxable year. Late filing penalty of \$10 will be added for untimely filing of any report. The report is required to be filed whether a corporation is active or inactive or until such time that the corporation is relieved from filing the report as required by law. A supplemental report shall be filed within thirty days if, after filing of the corporate report, a change is made affecting the report. All of the above reports can be filed by using the e-Filing web portal: <https://portal.sos.state.nm.us/bfs/online> .

If you have any questions, please contact the Corporations Bureau at (505) 827-3600 or toll free at 1-800-477-3632 for assistance.

Corporations Bureau

OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

Certificate of Incorporation

OF

Desert Sands Community Association

5513480

New Mexico

The Office of the Secretary of State certifies that the Articles of Incorporation, duly signed and verified pursuant to the provisions of the

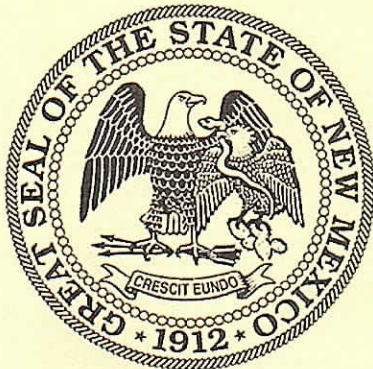
Nonprofit Corporation Act

53-8-1 to 53-8-99 NMSA 1978

have been received and are found to conform to law. Accordingly, by virtue of the authority vested in it by law, the Office of the Secretary of State issues this Certificate of Incorporation and attaches hereto a duplicate of the Articles of Incorporation.

Dated: **August 28, 2017**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the City of Santa Fe, and the seal of said office to be affixed hereto.



Maggie Toulouse Oliver

Maggie Toulouse Oliver
Secretary of State

**ARTICLES OF INCORPORATION
OF
DESERT SANDS COMMUNITY ASSOCIATION
(a New Mexico nonprofit corporation)**

The undersigned, by these Articles of Incorporation (the "**Articles**"), associate themselves for the purpose of forming a nonprofit corporation under the provisions of the New Mexico Nonprofit Corporation Act, Article 8 of Chapter 53, NMSA 1978, as amended, and certify as follows:

Article 1. Name. The name of the corporation will be Desert Sands Community Association (the "**Association**").

Article 2. Type of Corporation. The association is a non-profit corporation and has no capital stock.

Article 3. Address. The street address of the initial principal office of the Association is c/o Entrust Association Management, 2823 Richmond Drive NE, Albuquerque, NM 87107. The initial mailing address of the Association is c/o Entrust Association Management, 2823 Richmond Drive NE, Albuquerque, NM 87107.

Article 4. Definitions. All capitalized terms used in these Articles which are not defined will have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Desert Sands, recorded in the Office of the Bernalillo County Clerk, New Mexico, on July 21, 2017 as Document No. 2017070493 (the "**Declaration**"). Capitalized terms used but not defined herein shall have the meaning given to such terms in the Declaration.

Article 5. Purposes. The purposes for which the Association is organized are:

A. to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in these Articles, the By-Laws of the Association (the "**By-Laws**") and the Declaration and as provided by law; and

B. to provide an entity for the furtherance of the interests of the owners of real property subject to the Declaration.

Article 6. Powers. The powers of the Association will include and be governed by the following provisions:

A. the Association will have all of the common law and statutory powers conferred on a nonprofit corporation under New Mexico law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set forth in these Articles, the By-Laws and the Declaration, including, without limitation, the power:

(i) to fix and to collect assessments and other charges to be levied against the Lots;

(ii) to manage, control, operate, maintain, repair, and improve property subject to the Declaration and any other property for which the Association by rule, regulation, covenant or contract has a right or duty to provide such services;

(iii) to enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or the By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of real property subject to the Declaration;

(v) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest in such property for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or the By-Laws;

(vi) to borrow money for any purpose, subject to such limitations as may be contained in the By-Laws;

(vii) to enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation or other entity or agency, public or private;

(viii) to act as agent, trustee or other representative of other associations, corporations, entities or individuals and, as such, to advance the business or ownership interests in such associations, corporations, entities or individuals;

(ix) to adopt, alter and amend or repeal the By-Laws as may be necessary or desirable for the proper management of the affairs of the

Association; provided, however, the By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide any and all supplemental municipal services to the real property subject to the Declaration as may be necessary or proper as may be determined by the Board.

The foregoing enumeration of powers will not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law. The powers specified in each of the paragraphs of this Article 6 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

B. The Association will make no distributions of income to its members, directors or officers.

Article 7. Members.

A. The Association shall have one class of membership.

B. The Owner of each Lot, as those terms are defined in the Declaration, will be a member of the Association and will be entitled to vote in accordance with the terms herein and the Declaration, except there will be no vote for any Lot owned by the Association. The manner of exercising voting rights will be as set forth in the Declaration and in the By-Laws of the Association.

C. Change of membership in the Association will be established by recording, in the Office of the County Clerk of Bernalillo County, New Mexico, of a deed or other instrument establishing record title to real property subject to the Declaration. On such recordation, the Owner designated by such instrument will become a member of the Association and the membership of the prior owner will be terminated.

D. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance of the member's Lot.

Article 8. Term. The Association will be of perpetual duration.

Article 9. Directors.

A. The affairs of the Association will be conducted, managed and controlled by a Board of Directors. The initial Board of Directors will consist of three (3) directors. The number of directors may be increased in accordance with the By-Laws.

B. The names and addresses of the members of the initial Board of Directors, who will hold office until their successors are elected and have qualified, or until removed, are as follows:

Chris Kelly
2823 Richmond Drive NE
Albuquerque, NM 87107

Jody Pauza
2823 Richmond Drive NE
Albuquerque, NM 87107

Price Nosky
2823 Richmond Drive NE
Albuquerque, NM 87107

C. The method of election, removal and filling of vacancies on the Board of Directors and the term of office of directors will be as set forth in the By-Laws.

D. The Board of Directors may delegate its operation authority to such corporations, individuals and committees as the Board, in its discretion, may determine.

Article 10. By-Laws. The By-Laws of the Association will be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the By-Laws.

Article 11. Liability and Indemnification of Directors. To the fullest extent that Section 53-8-25.3 NMSA 1978 , as it exists on the date of these Articles or as it may be amended hereafter, permits the limitation or elimination of the liability of directors, no director of the Association will be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment of or repeal of this Article will apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such directors occurring prior to such amendment or repeal. The Association will indemnify its officers and directors in accordance with (1) Sec. 53-8-26 NMSA 1978, as it exists on the date of these Articles or as it may be amended hereafter, and (ii) general principles of law.

Article 12. Amendments. Amendments to these Articles may be proposed and adopted as provided in the New Mexico Nonprofit Corporation Act; provided, no amendment may be in conflict with the Declaration, and provided, further, no amendment will be effective to impair or dilute any rights of members that are governed by such Declaration. Any proposed amendment must be approved by Members representing more than 50% of the total Eligible Votes in the Association, and the

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consent of the Declarant during the Declarant Control Period; provided, however, no Members will be entitled to vote on any amendment to these Articles for the sole purpose of complying with the requirements of any governmental (including, without limitation, HUD or VA) or quasi-governmental entity or institutional lender authorized to fund, insure or guarantee mortgages on individual Lots, as such requirements may exist from time to time, which amendments may be adopted by the Board of Directors.

Article 13. Dissolution. The Association may be dissolved only on a resolution duly adopted by the Board of Directors and the affirmative vote of Members representing more than 90% of the Eligible Votes in the Association, and the consent of the Declarant during the Declarant Control Period. On dissolution of the Association, so long as the VA is guaranteeing and/or HUD is insuring any mortgage in the Properties, and unless otherwise agreed in writing by HUD or VA, as applicable, any remaining real property of the Association will be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets will be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. No such restriction will exist if VA is not guaranteeing or HUD is not insuring any mortgage in the Properties; provided, however, HUD and/or VA will be notified of such dissolution.

Article 14. Merger and Consolidation. The Association may merge or consolidate only on a resolution duly adopted by the Board of Directors and the affirmative vote of Members representing more than 90% of the Eligible Votes in the Association, and the consent of the Declarant during the Declarant Control Period.

Article 15. Incorporator. The name of the incorporator of the Association is Price Nosky. The incorporator's address is c/o LGI Homes – New Mexico, LLC, 9150 E. Del Camino Drive, Ste. 118, Scottsdale, AZ 85258.

Article 16. Registered Agent and Office. The initial registered office of the Association is c/o Entrust Association Management, 2823 Richmond Drive NE, Albuquerque, NM 87107, and the initial registered agent is Jon McCormick.

Article 17. Conflicts. In the event of a conflict between these Articles of Incorporation and the Declaration, the Declaration shall control. In the event of a conflict between these Articles of Incorporation and the Bylaws, these Articles of Incorporation shall control.

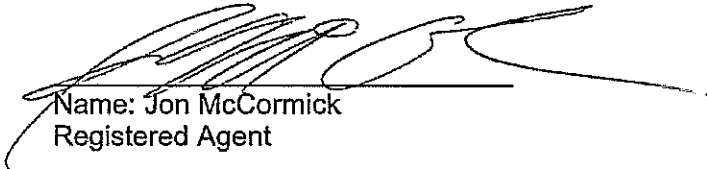
Dated: August 16, 2017


Incorporator

**STATEMENT OF ACCEPTANCE OF APPOINTMENT BY
DESIGNATED INITIAL REGISTERED AGENT**

To: Secretary of State
State of New Mexico

I, Jon McCormick, hereby acknowledge and accept appointment as the Initial Registered Agent of Desert Sands Community Association, the Corporation which is named in the annexed Articles of Incorporation, and which is applying for a Certificate of Incorporation pursuant to the provisions of the Nonprofit Corporation Act of the State of New Mexico.



Name: Jon McCormick
Registered Agent