

**ARTICLES OF INCORPORATION
OF
PAA-KO COMMUNITIES
HOMEOWNER'S ASSOCIATION**

In compliance with the provisions of the State of New Mexico Non-Profit Corporation Act, N.M.S.A., the undersigned, Mountain Ranch Limited Partnership, a New Mexico Limited Partnership, does hereby certify and adopt in duplicate the following Articles of Incorporation for the Paa-Ko Communities, Homeowner's Association.

ARTICLE I: NAME

The name of the corporation is Paa-Ko Communities, Homeowner's Association, (hereinafter called the "Association").

ARTICLE II: OBJECTS AND PURPOSES

The objects and purposes for which the Association is formed are as follows:

Section 1. This Association does not contemplate pecuniary gain or profit to the members thereof, and is organized solely for non-profit purposes.

Section 2. The Association shall not have the power to issue stock or to declare dividends.

Section 3. The specific purposes for which the Association is formed are to maintain, preserve and improve the residential lots, improvements and common areas within that certain tract of property (hereinafter the "Property") situate in Bernalillo County, and more particularly described in the Paa-Ko Communities Comprehensive Declaration of Covenants, Conditions and Restrictions

filed or to be filed with the real property records of said county (hereinafter the "Declaration"), including any additions thereto, as may hereafter be brought within the jurisdiction of this Association; to promote the health, safety and welfare of the residents within the above-described Property; to sponsor for the benefit of its members, social, cultural and/or artistic events; and to do any and all other things necessary and convenient for the accomplishment or furtherance of any of the purposes stated herein, and to do all things necessary or convenient for the protection and benefit of the Association, and for these purposes to:

(a) Exercise all of the powers and privileges to perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) Fix, levy, collect and enforce payment by any lawful means, including commencement of legal proceedings or litigation, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, conserve, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property and any interest therein in connection with the affairs of the Association; including but not limited to,

) the common areas, recreational facilities, parks, roads, bridges, and drainage structures;

(d) Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property a security for money borrowed or debts incurred;

(e) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, and otherwise extend its jurisdiction and responsibilities to additional tracts of land, provided that any such merger, consolidation or annexation shall be approved by the vote of two-thirds (2/3) of its members as provided by law and;

(f) To bring suit or participate or commence any proceeding, whether judicial or administrative as necessary to protect the interests of the Association.

ARTICLE III: INITIAL REGISTERED OFFICE AND INITIAL

REGISTERED AGENT

Kent Moesser is hereby appointed the initial registered agent and 1717 Louisiana Blvd. NE, Suite 205, Albuquerque, New Mexico 87110, is hereby appointed the initial registered office of this Association.

ARTICLE IV: DURATION

The Association shall have perpetual existence.

ARTICLE V: MEMBERSHIP

The eligibility for membership shall be as stated in the Declaration. The By-laws shall set forth any additional qualifications for membership.

ARTICLE VI: BOARD OF DIRECTORS

The business and affairs of this Association shall be conducted and managed by a Board of four (4) directors, who shall be members of the Association, or the authorized agent of a member corporation or partnership. The number of directors may be changed by amendment of the By-laws of the Association. The names and addresses of the persons who shall comprise the initial board of directors are:

- | | |
|------------------|---|
| 1. Roger Cox | 1717 Louisiana NE, Suite 205
Albuquerque, NM 87110 |
| 2. Dave Wesley | 1717 Louisiana NE, Suite 205
Albuquerque, NM 87110 |
| 3. Nick Thompson | 1717 Louisiana NE, Suite 205
Albuquerque, NM 87110 |
| 4. Kent Moesser | 1717 Louisiana NE, Suite 205
Albuquerque, NM 87110 |

An affidavit signed by each director stating that he consents to being a director is on file with the Association. The directors shall be elected by the Declarant as provided in the Declaration until the exclusive right of the Declarant to elect the directors is relinquished, terminated, or expires as provided in the Declaration. The directors shall be elected at the annual meeting and shall serve a two year term. The terms of the directors shall

be staggered. Directors seats numbers 1 and 2 shall be subject to an election at the first annual meeting. Directors seats numbers 3 and 4 shall be subject to an election at the next following annual meeting.

ARTICLE VII: DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members as provided by law. 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 to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII: AMENDMENTS

Amendment to these Articles shall be made in the following manner: (1) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. (2) Written notice setting forth the proposed amendment, or a summary of the changes to be effected thereby, shall be given to each member entitled to vote at the meeting within the time and in the manner provided in the Nonprofit Corporation Act for the giving of

notice of meetings of members. (3) The proposed amendment shall be adopted upon receiving at least two-thirds of the votes which members present at the meeting or represented by proxy are entitled to cast. Any number of amendments may be submitted and voted upon at any one meeting.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of New Mexico, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 10th day of December, 1994.

Mountain Ranch Limited Partnership,
a New Mexico Limited Partnership
1717 Louisiana Blvd. NE, Suite 205
Albuquerque, New Mexico 87110

By: Roger Cox Financial Corporation,
a New Mexico Corporation
General Partner

By Roger S. Cox
Roger S. Cox, President

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

I, M. EUGENIA YOUNG, a Notary Public, hereby certify that on the 10th day of December, 1994, personally appeared before me, Roger Cox, President of Roger Cox Financial Corporation, a New Mexico Corporation, Managing Partner, on behalf of Mountain Ranch Limited Partnership, a New Mexico Limited Partnership, who, being by me first duly sworn, declared that he was the person who signed the foregoing document as incorporator, and that the statements therein contained are true.

M. Eugenia Young
Notary Public

My Commission expires:

19, Nov 1997

ARTICLES 804 6



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 11-19-97

**AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
AS DESIGNATED INITIAL REGISTERED AGENT**

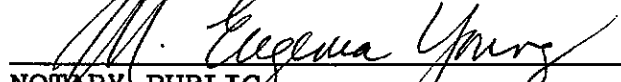
To the State Corporation Commission
State of New Mexico

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

On this 10th day of December, 1994, before me a Notary Public in and for the State and County aforesaid, personally appeared Kent Moesser, who is to me known to be the person and who, being by me duly sworn, acknowledged to me that he does hereby accept his appointment as the Initial Registered Agent of Paa-Ko Communities, Homeowner's 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.


REGISTERED AGENT'S SIGNATURE

Subscribed and sworn to before me on the day, month, and year first above set forth


NOTARY PUBLIC

Commission Expires: 19. Nov 1997



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 11-19-97

AFFIDAVIT

To The State Corporation Commission
State of New Mexico

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

Roger Cox, being duly sworn,
deposes and states upon his oath the he consents to being a member
of the Board of Directors of Paa-Ko Communities, Homeowner's
Association, a New Mexico Non-Profit Corporation.

Further affiant sayeth naught.

SUBSCRIBED AND SWORN TO before me the 10th day of December, 1994.

Notary Public

My commission expires:
15, Nov 1997



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 11-18-97

AFFIDAVIT

To The State Corporation Commission
State of New Mexico

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

 Dave Wesley , being duly sworn,
deposes and states upon his oath the he consents to being a member
of the Board of Directors of Paa-Ko Communities, Homeowner's
Association, a New Mexico Non-Profit Corporation.

Further affiant sayeth naught.

 Dave A. Wesley

SUBSCRIBED AND SWORN TO before me the 10th day of December,
1994.

 M. Eugenia Young
Notary Public

My commission expires:
19, Nov 1997



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 11-19-97

AFFIDAVIT

To The State Corporation Commission
State of New Mexico

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

Nick Thompson, being duly sworn,
deposes and states upon his oath the he consents to being a member
of the Board of Directors of Paa-Ko Communities, Homeowner's
Association, a New Mexico Non-Profit Corporation.

Further affiant sayeth naught.

SUBSCRIBED AND SWORN TO before me the 10th day of December, 1994.

Notary Public

My commission expires: 19 Nov 1997



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond filed with Secretary of State
My Commission Expires 11-19-97

AFFIDAVIT

To The State Corporation Commission
State of New Mexico

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

Kent Moesser, being duly sworn,
deposes and states upon his oath that he consents to being a member
of the Board of Directors of Paa-Ko Communities, Homeowner's
Association, a New Mexico Non-Profit Corporation.

Further affiant sayeth naught.

SUBSCRIBED AND SWORN TO before me the 10th day of December,
1994.

M. Eugenia Young
Notary Public

My commission expires:
19, Nov 1997



OFFICIAL SEAL
M. EUGENIA YOUNG
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 11-19-97