

ARTICLES OF INCORPORATION
OF OLD PECOS TRAIL SUBDIVISION
OWNERS ASSOCIATION

The undersigned for the purpose of forming a non-profit corporation under the laws of the State of New Mexico, does hereby state:

ARTICLE I - NAME

The name of the corporation is OLD PECOS TRAIL SUBDIVISION OWNERS ASSOCIATION, hereinafter called the "Association".

ARTICLE II - REGISTERED OFFICE

The initial registered office of the Association is located at 444 Galisteo, Suite E, P. O. Box 1769, Santa Fe, New Mexico 87504-1769.

ARTICLE III - REGISTERED AGENT

John R. Fox, whose address is 444 Galisteo Suite E, P.O. Box 1769, Santa Fe, New Mexico, is hereby appointed the initial registered agent of this Association.

ARTICLE IV - PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for administration, maintenance, preservation and architectural control of the lots and common area within that certain tract of property

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described as OLD PECOS TRAIL SUBDIVISION, Santa Fe County, New Mexico, and to promote the health, safety and welfare of the residents within the above-described property:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded in the office of the County Clerk of Santa Fe County, New Mexico and as the same may be amended from time to time as herein;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith, accrue reserves as indicated, and pay all debts and charges incident to the conduct of the business of the Association; and to invest and reinvest surplus funds;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; provided, however, the Association shall have no power to convey, sell, lease, transfer or otherwise dispose of the common areas conveyed

to the Association, subject to subparagraph (e) below;

(d) Borrow money and, with the assent of the members entitled to cast two-thirds (2/3rds) of the vote, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, such authorization shall not apply to any common areas conveyed to the Association;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for public purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been approved by members entitled to cast two-thirds (2/3rds) of the votes, either in person or by proxy, agreeing to such dedication, sale or transfer. Easements for installation and maintenance of utilities and for emergency vehicle access may be granted by the Board of Directors without vote of the membership. No such dedication, sale or transfer shall be made, however, until approved by the appropriate governmental authorities;

(f) Operate a water system for the benefit of owners of lots in the Old Pecos Trail Subdivision, including the drilling and maintenance of water wells, and the maintenance and repair of the distribution system for water within

said subdivision, and all other powers necessary to provide potable water to the owners of lots.

(g) Have and to exercise all powers, rights and privileges which a corporation organized under the non-profit corporation law of the State of New Mexico by law may now or hereafter have or exercise, except as otherwise provided herein.

ARTICLE V - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, one of whom need not be a member of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

John L. Lion

5225 Wilshire Blvd.,
Suite 909
Los Angeles, CA 90036

Bill Scott

800 East, Hyde Park Road
P. O. Box 8970
Santa Fe, NM 87504-8970

John R. Fox

444 Galisteo, Suite E
P. O. Box 1769
Santa Fe, NM 87504-1769

At the first annual meeting the members shall elect one director for a term of two (2) years and one director for a term of three (3) years. At each annual meeting

thereafter the members shall elect directors for a term of two (2) years as their terms shall expire.

Control of the Association shall become vested in the purchasers of lots within not more than one hundred twenty (120) days after completion of sale or transfer of title to lots representing seventy-five percent (75%) of the total of 24 lots available to be sold in Old Pecos Trail Subdivision; therefore, control of the Association shall become vested in the purchasers of lots when 18 lots within Old Pecos Trail Subdivision have been sold.

ARTICLE VI - DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by eighty percent (80%) of the members. 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. If 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; provided, however, that no such grant, conveyance, or assignment shall be made until approved by the appropriate governmental authorities. If there is

neither a dedication nor a grant, conveyance or assignment as hereinabove provided, then and in such event the common areas shall be deemed to be owned in common by the members who may, at their option sell or otherwise dispose of the common assets.

ARTICLE VII - DURATION

The corporation shall exist perpetually, unless dissolved in accordance with Article VI hereof.

ARTICLE VIII - AMENDMENTS

Amendment of these Articles shall require the assent of members representing two-thirds (2/3rds) of the votes, which members present at the meeting or represented by proxy are entitled to cast; provided, however, that the power to amend these articles shall not authorize any amendment (1) permitting the sale, conveyance, lease, transfer, mortgage, pledge, granting of any deed of trust, or hypothecation of the common areas conveyed to the Association by the Developer, subject to subparagraph (e) of Article IV above, (2) authorizing the alteration of the requirement that eighty percent (80%) of the membership assent in writing to the dissolution of the Association, or (3) altering the right of each lot owner to membership in the Association with rights appurtenant thereto.

ARTICLE IX - INCORPORATOR

The name and address of the incorporator is:

Calimo, Inc.
223 East Palace Avenue
P. O. Box 2185
Santa Fe, NM 87504-2185

In witness whereof, the undersigned has affixed his
signature this 19th day of April, 1985.

CALIMO, INC.,

By *John L. Lion*
John L. Lion
Executive Vice President

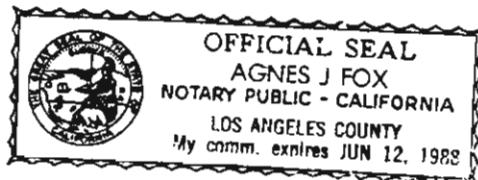
STATE OF CALIFORNIA)
)
 ss.
COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me
this 19th day of April, 1985, by JOHN L.
LION, Executive Vice-President of Calimo, Inc., a California
corporation, for and on behalf of said corporation.

(Seal)

My commission expires:
6/12/88

Agnes J. Fox
Notary Public



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N.M. ST. CO. CO. CORP. & FRANCHISE TAX DEPTS.

AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT

To the State Corporation Commission
State of New Mexico

STATE OF NEW MEXICO) ss.
COUNTY OF SANTA FE)

On this 3rd day of May, 1985, before me, a Notary Public in and for the State and County aforesaid, personally appeared JOHN R. FOX, who is to me known to be the person and who, being duly sworn, acknowledged to me that he does hereby accept his appointment as the initial Registered Agent of: OLD PECOS TRAIL SUBDIVISION OWNERS ASSOCIATION

the Corporation which is named in 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.

John R. Fox
REGISTERED AGENT

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



OFFICIAL SEAL

Laurel Ann Deloria

NOTARY PUBLIC STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 1-21-89

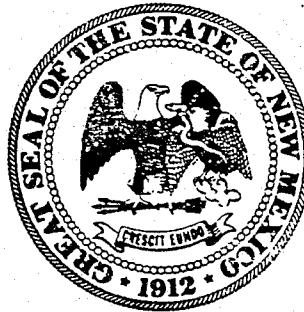
Laurel Ann Deloria

1-21-89

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N.M. ST. CORP. & COMM.
Corp./Franchise Tax Depts.

STATE OF NEW MEXICO



CERTIFICATE OF INCORPORATION
OF

OLD PECOS TRAIL SUBDIVISION OWNERS ASSOCIATION

126,817-6

The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed and verified pursuant to the provisions of the NONPROFIT Corporation Act, have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation, and attaches hereto a duplicate original of the Articles of Incorporation.

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe on

May 8, 1985

A handwritten signature in cursive ink, appearing to read "Jim P. Siva".

Chairman

By:

A handwritten signature in cursive ink, appearing to read "Paul L. Salazar".

Director