

OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

CHAMISA GREENS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

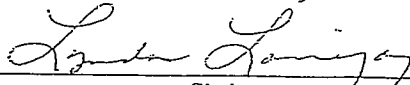
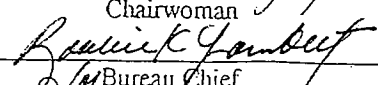
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The Public Regulation Commission certifies that the Articles of Incorporation, duly signed and verified pursuant to the provisions of the
NONPROFIT CORPORATION ACT
(53-8-1 to 53-8-99 NMSA 1978)
have been received by it & are found to conform to law.

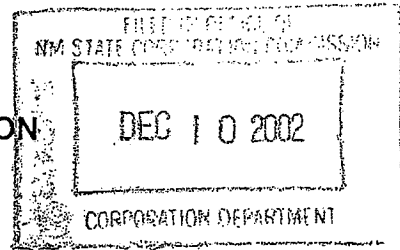
Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Incorporation & attaches hereto, a duplicate of the Articles of Incorporation.

Dated: DECEMBER 10, 2002

In testimony whereof, the Public Regulation of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to affixed at the City of Santa Fe.


Chairwoman

Bureau Chief

**ARTICLES OF INCORPORATION
OF THE CHAMISA GREENS SUBDIVISION
HOMEOWNERS' ASSOCIATION, INC.**



THE UNDERSIGNED, being an unincorporated homeowners' association and being desirous of forming a non-profit corporation under the laws of the State of New Mexico, has prepared and hereby adopts the following Articles of Incorporation:

**ARTICLE I
Name**

The name of the Corporation shall be CHAMISA GREENS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. (the "Corporation"). The Corporation shall not afford, directly or indirectly, pecuniary gain or profit to its members. The purposes of the Corporation are:

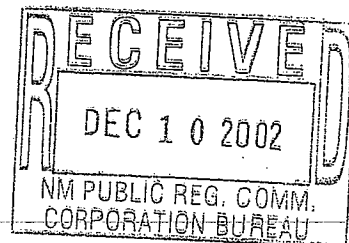
- A. To operate exclusively for the benefit of the owners and residents of houses situated within the property situate in Sandoval County, New Mexico, and more further described as follows (the "Subdivision"):

Tract PH-2, of a Plat of a Portion of Unplated Lands Oakmount Portion of Panorama Heights, as the same is shown and designated on the plat entitled, "SUMMARY PLAT TRACT PH-2, A PLAT OF PORTION OF UNPLATTED LANDS OAKMOUNT PORTION OF PANORAMA HEIGHTS, WITHIN PROJECTED SECTIONS 19 AND 30, T. 12 N., R. 3 E., N.M.P.M., RIO RANCHO ESTATES, TOWN OF ALAMEDA GRANT, SANDOVAL COUNTY, NEW MEXICO", filed in the office of the County Clerk of Sandoval County, New Mexico, on July 30, 1998 in Rio Rancho Estates Plat Book Number 11, page 22, Volume 3, Folio 1778-A, (Instrument No. 18381).

- B. To own, hold and/or manage certain common areas and/or easement areas (hereinafter called "the Common Areas") for the benefit of the owners and residents of the homes situate within the Subdivision; and

- C. To enforce the provisions of and perform the duties set forth in the Protective Covenants Imposed Upon Chamisa Greens Subdivision, a Declaration of Restrictions, Covenants and Conditions for the Creation and Maintenance of a Planned Residential Development (hereinafter "the Restrictions") to be filed for record with respect to the Subdivision.

ARTICLE II



Powers

The Corporation shall have the following powers:

- A. To perform any and all acts necessary and proper to promote the health, safety and welfare of the owners and residents of houses situate within the Subdivision, including without limitation, any of the following acts:
1. To establish and collect annual and special assessments or charges to be levied against the members of the Corporation and their houses located within the Subdivision as provided in the Restrictions;
 2. To enforce any and all covenants, conditions and restrictions as set forth in the Restrictions, including any amendments thereto;
 3. To own, acquire, build, operate and maintain landscaping and utilities located within the Common Areas;
 4. To pay taxes, if any, assessed against the Common Areas and to discharge any liens or claims of lien against the Common Areas;
 5. To receive, administer and apply funds generated by annual and special assessments for the common benefit of the owners of lots located within the Subdivision.
- B. To perform all acts and exercise all powers authorized by the Non-Profit Corporation Act, Sections 53-8-1 through 53-8-99, N.M.S.A. 1978 Comp., as now or hereafter amended, and to perform all acts and exercise all powers which a nonprofit corporation is authorized to do under all applicable statutes of New Mexico, as now or hereafter amended, including without limitation, the following:
1. To receive and administer funds and contributions received by gift, deed, bequest or devise and to hold, invest, expend, contribute or otherwise dispose of such funds and contributions for the purposes for which this Corporation is organized;
 2. To borrow money and make, execute or issue bonds, debentures, promissory notes or other corporate obligations for money borrowed, or in payment for property acquired, and to secure the payment of any such corporate obligations by pledge, mortgage, indenture, agreement or otherwise;
 3. To lend money, make loans and engage in financing arrangements of all types for the purposes for which this Corporation is organized;

4. To acquire by purchase or otherwise personal property of every kind whatsoever and to hold, invest and reinvest same for the purposes for which the Corporation is organized;
 5. To acquire by purchase or otherwise real property and to hold, use, improve, lease, rent, sell, convey or encumber same for the purposes for which this Corporation is organized;
 6. To enter into, make, perform and carry out contracts, agreements, commitments and assurances of every kind for the purposes for which this Corporation is organized; and
 7. In doing, exercising or performing any of the foregoing, to do the same as a contractor, subcontractor, principal, agent, employee or on its own behalf, or in association, partnership, corporation or joint venture with any person, partnership, corporation, joint venture or other business entity.
- C. To exercise all powers which the Corporation is authorized to exercise pursuant to these Articles of Incorporation primarily for the purposes of acquisition, construction, management, maintenance and care of Common Areas consistent with the provisions of Section 528 of the Internal Revenue Code of 1954, as now or hereafter amended.
- D. The Corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity which would result in its net earnings inuring to the benefit of any private person.

ARTICLE III

Duration

The period of duration of the Corporation shall be perpetual.

ARTICLE IV

Initial Registered Agent and Office

The initial registered agent of the Corporation is Greg Breedlove and the address of the registered office of the Corporation is 4921 Alexander, N.E., Suite B, Albuquerque, New Mexico 87107.

ARTICLE V

Board of Directors

The management of the affairs of the Corporation shall be vested in a Board of Directors consisting of not more than five (5) persons and shall initially be three (3) persons. The Board shall be appointed by and serve at the pleasure of the Grantors until December 31, 2005. At the 2005 Annual Meeting of Members, one (1) member of the Board of Directors shall be elected to serve one (1) year terms. The remaining two (2) members of the Board of Directors shall be elected for two (2) year terms and all subsequent elections for membership to the Board of Directors shall be for two (2) year terms. Directors must be members of the Association. The number of Board members may be changed by an amendment to the By-Laws. Until the First Annual Meeting of Members, the initial Board of Directors shall consist of the three (3) persons whose names and addresses appear below:

Greg Breedlove
4921 Alexander, N.E., Suite B
Albuquerque, New Mexico 87107

Sheldon Moore
4921 Alexander, N.E., Suite B
Albuquerque, New Mexico 87107

Virgil Yumo
4921 Alexander, N.E., Suite B
Albuquerque, New Mexico 87107

The Association shall indemnify its directors and officers against expenses, costs and attorney's fees actually and reasonably incurred by them in connection with the defense of any action, suit, or proceeding, civil or criminal in which they are made a party by reason of being or having been a director or officer of the Association unless they are guilty of negligence or misconduct in their performance of their duties as directors or officers.

ARTICLE VI

Name and Address of Incorporator

The name and address of the Incorporator is as follows: Greg Breedlove, KB Home New Mexico, Inc. 4921 Alexander, N.E., Suite B, Albuquerque, New Mexico 87107

ARTICLE VII

Membership and Voting Rights

A. Membership. Every person or entity who is the beneficial owner of a fee simple interest, including the purchaser under a contract of sale, in any Lot subject to the Restrictions shall be a member of the Association; provided that any person or entity holding such interest as security for the payment of a debt or performance of any obligation shall not be a member; provided, however, that any person or entity who acquires such interest at a judicial sale or by conveyance in lieu of foreclosure shall be a

member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to the Restrictions.

B. Voting Rights. The Association shall have one (1) class of voting membership. Each member shall be entitled to one vote for each Lot in which they hold the interest required for membership as provided in Section A of this Article VIII. When more than one person or entity holds such interest, all such persons or entities shall be members, but only one vote shall be cast with respect to any Lot.

C. Suspension of Membership and Voting Rights. The rights of membership, including the right to vote and the right to participate in Association affairs, are subject to suspension by the Board for: (1) failure or refusal to pay any assessment levied by the Association for a period of thirty (30) days after the due date of such assessment; or (2) an infraction of, default in or breach of any provision of the Restrictions, the Articles, the By-Laws or the Rules and Regulations of the Association. Suspension of membership rights shall not impair the right of any owner to access their lot.

ARTICLE VIII Amendment

These Articles of Incorporation may be amended, changed, modified or repealed in the manner now or hereafter provided by law upon the affirmative vote of two-thirds (2/3) of the members entitled to vote in person or by proxy at a meeting duly called for that purpose, written notice of which shall have been sent to all members not less than thirty (30) nor more than fifty (50) days prior to such meeting. Furthermore, these Articles of Incorporation may be amended, changed, modified or repealed in the manner now or hereafter provided by law by the Grantor, as long as the Grantor owns a minimum of one lot. So long as the Grantor owns any Lots, any amendment to these Articles shall require the written consent of VA or FHA. Such written notice of meeting must set forth the purpose of the meeting.

IN WITNESS WHEREOF, the undersigned Incorporator of this is Corporation has made and signed these Articles of Incorporation this Monday, December 09, 2002.



Greg Breedlove
Incorporator

