

ARTICLES OF INCORPORATION OF THE
ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED

The undersigned, 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

The name of the Corporation shall be the Association of Angel Fire Property Owners, Incorporated. (Herein "the Association".)

ARTICLE II

The objects and purposes for which the Association is organized are to hold title to, manage, maintain and improve any land and improvements located within the Angel Fire development, an independent community located in Colfax County, New Mexico, for the benefit of the property owners in the development and the public at large. The Association shall have the powers, without limiting the powers granted it under New Mexico law, to carry out its purposes, which purposes are as follows:

(a) To repair, maintain, landscape, rehabilitate, restore or construct any real property or any improvements located thereon.

(b) To hold title to, for the common benefit and use of the members and the general public, the properties conveyed to the Association, if any, and to maintain, landscape, protect, operate and develop said areas. At no time shall it be a requirement or pre-condition to the Association having and exercising the powers contained in these Articles of Incorporation that any property be conveyed to or owned by the Association.

(c) To act, through its officers and agents, as an Environmental and Architectural control committee, as called upon to do so, in accordance with the Protective Covenants and Restrictions for Angel Fire as may be recorded or as may be amended or supplemented.

(d) To enforce, through its officers and agents, the Protective Covenants and Restrictions for Angel Fire as are recorded or as, in the future, may be amended or supplemented, including but not limited to any Land Use Easement relating to the Amenities (as defined in the Supplemental Declaration of Restrictive Covenants and Easements recorded in Colfax County, New Mexico) of the Angel Fire development, to perform any and all other functions delegated to the Association under the Protective Covenants and Restrictions, and to set up various boards as the Association may from time to time deem necessary to preserve the character of the community.

(e) To Levy assessments and enforce payment thereof against the owners of each homesite within the Angel Fire development, to cover expenses incurred by the Association in maintaining, landscaping, protecting, operating and improving any of the Amenities of the community and any properties conveyed to the Association, to put restrictions on the frequency of and the amounts of increases in said assessments, and to determine the method by which the assessments will be calculated on a proportional use by property owners of the Amenities in relation to the public use of those same Amenities.

(f) To review and approve the annual operating budget to be submitted by Angel Fire Corporation or its successors in interest to the Board of Directors of the Association.

(g) To determine the periods of operation for the various Amenities within the development and any properties conveyed to the Association, and to place restrictions on their use as the Association may deem necessary.

(h) To file or record liens upon any of the homesites to secure the payment of assessments and obligations due from the owners of said homesites to the Association, and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and do all things necessary to perfect the filing, enforcement and discharge of said liens.

(i) To determine the means for evidencing membership in the Association.

(j) To put restrictions and limitations upon memberships and their benefits, and to develop different types of memberships as the Association may deem necessary.

(k) To enter into, make, perform, and carry out contracts of every kind and for any lawful purpose pertaining to or incidental to its operations and business; to borrow or raise money for any of the purposes of this Association.

(l) To make contracts with third parties, firms and corporations and to perform work thereunder, and to make contracts with any of the officers, directors, stockholders or employees of this Association, individually and without limitations,

restrictions or prejudice, which contracts, when and if made, shall be considered and construed on the same basis as contracts with third parties, all in furtherance of the management, operation, objects and purposes of this Association.

(m) To serve as a liaison between the community, the general public, and the board of directors, on issues that require participation of larger governmental entities, to protect the interests of the members and of the community.

(n) To take any steps necessary to provide for the retention and protection of the natural or open space values of the real property, the assurance of the availability of real property for agricultural, forest, recreational or open space use, and the protection of natural resources and the maintenance of productive uses of real property pursuant to the Land Use Easement Act, §47-12-1, NMSA (1978), et seq., specifically relating to the Amenities of the Angel Fire resort as defined in the Supplemental Declaration of Restrictive Covenants and Easements recorded in Colfax County, New Mexico.

(o) To do all other things necessary, appropriate or convenient in the furtherance of any of the foregoing.

ARTICLE III

The Association is not for profit and does not afford pecuniary gain incidentally or otherwise to its members. No part of the net earnings of the Association shall inure to the benefit of or be distributable to its directors, officers or other private persons, except that the Association shall be authorized and

empowered to pay reasonable compensation for services rendered and to make payments or distributions in furtherance of the purposes set forth above.

ARTICLE IV

Membership in this Association shall be limited solely to persons, including corporations, partnerships and other legal entities recognized by New Mexico law, acquiring or owning legal or equitable title to any homesite, as defined in the Supplemental Declaration of Restrictive Covenants and Easements, within the above described development, whether said homesite is in existence as of the date of the incorporation of the Association or not, excepting that Angel Fire Corporation and its successors in interest shall not be a member of the Association regardless of the properties it now holds title to or shall acquire title to. This exception shall apply throughout Article IV of these Amended Articles of Incorporation.

Each homesite shall have one membership, regardless of the ownership of the homesite. In the event any homesite is owned or is being purchased by two or more persons, and if a certificate of membership is issued by the Association, a single certificate shall be issued in the names of all of the said owners. In any event, where there is a multiple ownership of a homesite, the owners shall designate one of their members who shall have the power to vote at the meetings of the members of the Association. Each membership in the Association, whether evidenced by a certificate or not, shall have such rights, privileges, limitations, prohibitions,

restrictions and other attributes as are provided for in the By-Laws of this Association.

ARTICLE V

The existence of the Association shall be perpetual.

ARTICLE VI

The location of the principal office in New Mexico shall be The Angel Fire Country Club, County of Colfax, State of New Mexico, and the name of its initial registered agent at such address is

ARTICLE VII

The name and address of the incorporator is:

H. Wayne Jones
P.O. Box 978
Angel Fire, NM 87710

ARTICLE VIII

The management of the affairs of the Association shall be vested in the Board of Directors consisting of not less than five (5), nor more than nine (9) persons to be elected for one (1), two (2), or three (3) year terms, as specified in the By-Laws, at each Annual Meeting of the Members of the Association. Directors must be members of the Association in good standing. Angel Fire Corporation, or any successor thereto, will be entitled to have one ex-officio, non-voting member of the Board of Directors. Until the First Meeting of Members, the initial Board of Directors shall

consist of the eight (8) persons whose names and addresses appear below:

Ms. Rebecca D. Alzheimer
184 Big Horn Ridge, N.E.
Albuquerque, NM 87122

Mr. H. Wayne Jones
P.O. Box 978
Angel Fire, NM 87710

Mr. Paul Peppard
P.O. Box 429
Angel Fire, NM 87710

Mr. Alfred J. Smith
P.O. Box 50606
Amarillo, TX 79159

Mr. Bruce Lawrence
P.O. Box 808
Angel Fire, NM 87710

Mr. Thomas Mastin, Jr.
901 Lake Street
Ft. Worth, TX 76102

Mr. Robert M. Dillon
P.O. Box 193
Angel Fire, NM 87710

Mr. A. L. (Bubba) Clanton
3412 68th Drive
Lubbock, TX 79413-6122

Developer
(ex-officio)

ARTICLE IX

The Association shall initially have one class of membership. Every person or entity, except Angel Fire Corporation, or its successors in interest, who is the record owner of a fee simple or undivided fee interest in any homesite subject to the Supplemental Declaration of Restrictive Covenants and Easements filed for record with respect to the Angel Fire Community, shall be a member, provided that any person or entity holding such interest as security for the payment of a debt or performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any lot, dwelling unit or project unit which is subject to the Supplemental Declaration of Restrictive Covenants and Easements.

Members shall be entitled to vote as follows:

(a) Ownership of a lot zoned or designated for a single family through fourplex dwelling or commercial use, whether unimproved or improved - one vote.

(b) Ownership of a single lot actually occupied by a duplex, triplex or fourplex - one vote for each separate dwelling unit.

(c) Ownership of a lot zoned or designated as a project, but not yet improved, or re-subdivided as a project (whether such re-subdivisions or divisions are accompanied by a subdivision map or by a recorded declaration) - one vote.

(d) Ownership of a resident project unit, whether or not improved, but subdivided either by a map or by a recorded declaration - one vote.

(Any person in categories (a) through (d), inclusive shall be deemed the owners of a "Homesite" as that term is used herein.)

The rights of membership, including the right to vote, the right to participate in corporate affairs, and the right to use the common areas and Amenities of the Angel Fire Community, are subject to suspension by the Board for: (1) failure or refusal to pay any assessment levied by the Association for a period of 30 days after the due date of such assessment; or (2) an infraction of, default in, or breach of any provision of the Supplemental Declaration of Restrictive Covenants and Easements, the Articles, the Bylaws, or the rules and regulations of the Association.

The Board of Directors may create additional classes of membership and may alter the voting rights contained herein by appropriate amendment to the By-Laws of the Association, and may

provide for voting by proxy and/or by mail pursuant to the provisions of the By-Laws.

IN WITNESS WHEREOF, the undersigned incorporator of this Association has made and signed these Articles of Incorporation this _____ day of _____, 1995.

H. WAYNE JONES