

**ARTICLES OF INCORPORATION
OF
TIMBERLAKE RANCH LANDOWNERS' ASSOCIATION**

The undersigned, acting as an Incorporator of a corporation under the New Mexico Nonprofit Corporation Act, adopts the following Articles of Incorporation for the corporation:

ARTICLE I

NAME

The name of the corporation is TIMBERLAKE RANCH LANDOWNER'S ASSOCIATION.

ARTICLE II

CORPORATE EXISTENCE

The period of duration of the existence of the corporation is perpetual.

ARTICLE III

PURPOSE

The corporation is organized and will be operated as a homeowners association, in accordance with Section 528 of the Internal Revenue Code and the Regulation of the Internal Revenue Code (collectively, the "Code"), as the Code now exists or may exist after the date of these Articles:

- A. To acquire, construct, manage, maintain and care for the Common Areas as defined in the Bylaws (the "Common Areas" and any other property of the corporation.
- B. To administer and enforce the Declarations containing covenants, conditions and restrictions for certain subdivision in McKinley County, New Mexico, and Cibola County, New Mexico, as further defined in the Bylaws (the "Declarations").
- C. To carry out any other lawful purpose under the New Mexico Nonprofit Corporation Act. The corporation will not carry on any activity which would adversely affect the status of the corporation as a homeowners association under Section 528 of the Code.

ARTICLE IV

CAPACITY, AUTHORITY AND POWER

Except as limited in these Articles, the corporation will have the capacity and authority to perform those acts which are necessary or proper to accomplish the purposes of the corporation, and will have as fully as if set out at length in these Articles all powers

expressly or impliedly conferred by the laws of New Mexico, and all those powers necessary, convenient, desirable or appropriate to accomplish the purposes of the corporation. This declaration of capacity, authority and power is to be broadly construed without the necessity of specific enumeration; provide, however, that the corporation may exercise only those powers which are in furtherance of the purposes and activities of the corporation as a homeowners association under Section 528 of the Code.

ARTICLE V

LIMITATIONS ON CAPACITY, AUTHORITY AND POWER

The following limitations are placed on the capacity, authority and power of the corporation:

A. The corporation may not mortgage the Common Areas or any other property owned by the corporation except as provided in the Declaration or the Bylaws. The total outstanding monetary contractual liabilities of the corporation may not exceed an amount equal to twice the aggregate Annual Assessments (as defined in the Bylaws) assessed to all Lots for the then current Assessment Year (as defined in the Bylaws), unless the authority to exceed that amount is given by the Special Assent of the Members of the corporation.

B. The corporation may not dissolve and may not liquidate except in compliance with the New Mexico Nonprofit Corporation Act and with the Special Assent of the Members at a meeting after the corporation has mailed, in accordance with the Bylaws, to each Member not less than twenty days before the meeting written notice of the proposed dissolution or liquidation.

C. Upon dissolution or liquidation, the corporation will apply and distribute the assets of the corporation in accordance with the New Mexico Nonprofit Corporation Act, and will transfer the remaining corporate assets (the "assets") to an appropriate public agency which will devote the assets to purposes as nearly as practicable the same as those to which the assets are required to be devoted by the corporation. If the transfer is refused, the assets will be transferred to a nonprofit organization which will devote the assets to purposes as nearly as practicable the same as those to which the assets are required to be devoted by the corporation. No transfer of the assets will divest or diminish any right of any Member under the Declaration, these Articles or the Bylaws.

D. The "Special Assent of the Members: required by some provisions of the Article means the assent of Members representing at least two-thirds of the votes which Members who are voting in person or by proxy are entitled to cast at a meeting of the Members which was duly called for the purpose by a notice which was sent to all Members at least twenty days in advance providing the purpose of the meeting and at which meeting a Special Quorum is present. The words "Special Quorum" as used in these Articles mean the presence, in person or by proxy, at a meeting of Members, of Members entitled to cast sixty percent of the votes of Members, and if the required quorum is not present at that meeting and a subsequent meeting of Members called for the same purpose as the prior meeting takes place within sixty days after the prior meeting, the words "Special Quorum" mean, with respect to the subsequent meeting, one-half of the required quorum at the prior meeting.

ARTICLE VI

LIMITATION ON PECUNIARY GAIN

The corporation does not afford pecuniary gain, incidentally or otherwise, to the Members of the corporation. No part of the income, profit or net earnings of the corporation will inure to the benefit of or be distributable to any Member, director, officer, private shareholder or individual, but this does not prevent the corporation from paying reasonable compensation for services rendered by a Member, director, officer, private shareholders or individuals.

ARTICLE VII

REGISTERED OFFICE AND AGENT

The initial registered office address of the corporation is 20 First Plaza, Suite 600. Albuquerque, New Mexico, 87103, and the initial registered agent of the corporation at that address will be Graham Browne.

ARTICLE VIII

FIRST DIRECTORS

The name and addresses of the seven directors who will constitute the first Board of Directors of the corporation are:

Richard Gerardi c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

T.M. Broderick c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

Charles Billman c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

Jock Begg c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

Roscoe McKeehan c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

Barbara Fidel c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

Alice B. Collier c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102

ARTICLE IX

AMENDMENTS

These Articles may be amended or repealed on in accordance with the Special Assent of the Members.

DATED: April 25, 1986

RICHARD GERARDI
c/o Sutin, Thayer & Browne
A Professional Corporation
20 First Plaza, Suite 600
Albuquerque, New Mexico 87102