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NONPROFIT

ARTICLES OF INCORPORATION OF

THE RESERVE AT MARIANA BUTTE

HOMEOWNERS' ASSOCIATION, INC.

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SECRETARY OF STATE
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Know all men by these presents that I, William G. Kaufman, a natural person of the age of eighteen (18) years or more and a citizen of the United States and a resident of the State of Colorado, hereby desire to form a body corporate and politic, not for pecuniary profit, under the provisions of the Colorado Nonprofit Corporation Act, Articles 20-29, Title 7, Colorado Revised Statutes (1983), as amended (the "Act"), and hereby make, execute, adopt and acknowledge these Articles of Incorporation in writing my intention to form a body corporate and politic under and by virtue of the Act.

ARTICLE I

NAME

The name of the corporation shall be The Reserve at Mariana Butte Homeowners' Association, Inc.

ARTICLE II

DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III

DEFINED TERMS

A. "Association" means The Reserve at Mariana Butte Homeowners' Association, Inc., A Colorado nonprofit corporation, its successors and assigns, the Articles, Bylaws, and Rules and Regulations of which shall govern the administration of this Property, the Members of which shall be all of the Owners, including Declarant.

B. "Common Expenses" means (i) expenses of administration, operation, and management of the Association and ordinary maintenance and repair of the Exteriors and such other properties for which the Association has been given responsibility hereunder; and (ii) expenses declared pursuant to Article IV of the Declaration.

C. "Declarant" means the Declarant named in the Declaration, and such successor or successors as may be specifically designated hereafter by Declarant by written notice duly recorded.

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D. "Declaration" means the Declaration of Covenants, Conditions, and Restrictions for The Reserve at Mariana Butte, and all amendments and supplements thereto.

E. "General Common Properties" shall mean and refer to all land, improvements, and other properties heretofore and hereafter owned or in the possession of or maintained by the Association, and shall include, but not be limited to, the property shown on the Subdivision Plat of the Reserve at Mariana Butte.

F. "Lot" means any one of the constructed lots on the Property on which there may be only a single family detached dwelling.

G. "Member" means every individual or entity who is a record owner of a fee or undivided interest in any portion of the Property, including Declarant and contract sellers, but not including contract purchasers.

H. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot situated within the Property which is subject to this Declaration, but notwithstanding any applicable theory relating to mortgages, deeds of trust, or other liens or encumbrances upon any such property. Owner shall not include or refer to a mortgagee, beneficiary of a deed of trust, or lien holder unless and until such party has acquired title pursuant to foreclosure or any applicable procedure in lieu of foreclosure.

I. "Property" means the real property and all improvements now or hereafter located thereon which are subject to the Declaration.

All terms which are defined in the Declaration, as amended and supplemented, shall have the same meaning in these Articles of Incorporation unless otherwise defined herein or otherwise required by the context.

ARTICLE IV

PURPOSES

The business, objectives, and purposes for which the Association is formed are as follows:

A. To be and constitute the Association to which reference is made in the Declaration recorded in the office of the Clerk and Recorder of the County of Larimer, Colorado, relating to certain real property in the County of Larimer, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified in the Declaration, as the same may be amended and supplemented from time

to time as provided therein, said Declaration being incorporated herein in its entirety by this reference.

B. To provide an entity for the furtherance of the interests of the Owners in the Property.

ARTICLE V

POWERS

In furtherance of its purposes, but not otherwise, the Association shall have the following powers:

A. All powers, rights, and privileges which a corporation organized under the Colorado Nonprofit Corporation Act by law may now or hereafter have or exercise.

B. All of the powers necessary or desirable to perform the obligations and duties and to exercise and carry out the purposes, rights, and powers of the Association hereunder and under the Declaration, including, without limitation:

(1) To make and collect, disburse and account for assessments against Members for the purpose of defraying the costs, expenses, and any losses of the Association and of exercising its powers and of performing its functions.

(2) To own, manage, control, operate, maintain, repair, administer and improve all or various portions of the General Common Properties and improvements thereon in the manner, and subject to the limitations, set forth in the Declaration.

(3) To administer and enforce covenants, conditions, and restrictions affecting any property and, to the extent the Association may be authorized under such covenants, conditions, and restrictions, to adopt, alter, amend, repeal, and enforce Rules and Regulations for use of property within the Property.

(4) To engage in activities which will actively foster, promote, and advance the common interests of Owners.

(5) Subject to the restrictions of this Article V, to buy or otherwise acquire, sell, or dispose of, mortgage, encumber, exchange, lease, hold, use, operate, and otherwise deal with real, personal, and mixed property of all kinds, and any right or interest therein, for any purpose of the Association.

(6) To borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws of the Association or in the Declaration.

(7) To enter into, make, perform, or enforce contracts of every kind and description, including, without limitations, contracts for management services and contracts to perform, in whole or in part the functions of the Association, and to do all other acts necessary, appropriate, advisable, or convenient in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation, or other entity or agency, public or private.

(8) To adopt, alter, amend, or repeal such Bylaws as may be necessary or desirable for the proper management of affairs of the Association; provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

(9) To participate in mergers and consolidations with other nonprofit corporations organized for similar purposes.

C. The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law. The powers specified in each of the paragraphs of this Article V are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article V. Notwithstanding the above, the Association shall have the right, but not the obligation, to hire one or more persons or entities who may or may not be affiliated in any way with Declarant, including a managing agent, contractors, and employees, to carry out the above powers.

ARTICLE VI

MEMBERSHIPS AND VOTING

A. Every person or entity who is an Owner of a fee or undivided interest in any Lot within the Property shall automatically be a member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation is not a member.

B. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all of the Owners as defined in Section A of this Article (with the exception of the Declarant). The Declarant may, however, become a Class A member upon termination of his Class B membership as hereinafter provided. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds ownership interest or interests in any Lot, all such persons shall be members, and the vote provided for herein shall be exercised as they among

themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Declarant shall be the sole Class B member. The Class B member shall be entitled to One Hundred Thirty-Five (135) votes in the Association, which number of votes shall not be diminished by Declarant's sale of lots to third parties. The Class B membership shall cease and terminate upon the happening of either of the following events, whichever first occurs:

(a) When the Class B member ceases to own more than one (1) Lot; or

(b) On the 31st day of December, 2004, or

(c) At such time as Declarant voluntarily relinquishes its Class B membership rights.

From and after the happening of these events, whichever first occurs, the Class B members shall be deemed to be a Class A member entitled to one (1) vote for the Lot in which it holds an ownership interest as required for membership under Section 1 of this Article VI.

C. Members of the Association entitled to vote may cast the number of votes to which they are entitled (either as Class A or Class B Members) at each election or on each matter submitted to the vote of the membership of the Association as provided in the Declaration. Except as otherwise provided in the Declaration, these Articles of Incorporation, or in the Bylaws, Class A and Class B Members shall not be entitled to vote as separate classes at any such election or on any such matter.

D. Cumulative voting is prohibited.

E. Membership in the Association and the interest of a Member in the assets of the Association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to the transfer of title to that portion of the Property to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a Mortgage or other security instrument as further security for a loan secured by a lien on such portion of the Property.

F. A transfer of membership shall occur automatically upon the transfer of title to that portion of the Property to which the membership pertains; provided, however, that the Bylaws of the Association may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Association.

G. The Association may suspend, for a period not to exceed sixty (60) days (except in the case of continuing violations as set forth in the Bylaws), the voting rights of a member, if any, for failure to comply with the Rules and Regulations or Bylaws of the Association or with any other obligation of the Owners under the Bylaws, Declaration, or any agreement created pursuant thereto.

H. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the qualifications, rights, privileges, duties, and responsibilities of the Members.

ARTICLE VII

BOARD OF DIRECTORS

A. The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors who shall exercise all of the powers conferred on the Association by these Articles of Incorporation and the laws of the State of Colorado.

B. The Board of Directors shall consist of an odd number of individuals but shall not have less than three (3) nor more than nine (9) members, the specified number to be set forth from time to time in the Bylaws. In the absence of any provisions in the Bylaws, the Board shall consist of three (3) members.

C. Persons comprising the Board need not be Owners or agents of Owners. Except for the initial Board, the terms of at least one-third (1/3) of the members of the Board shall expire annually. Members of the Board shall be elected in the manner determined by the Bylaws.

D. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the Bylaws.

E. The initial Board shall consist of three (3) persons whose names and addresses are set forth below:

W. F. Morey	820 Ashford Lane Fort Collins, CO 80526
Dorothy B. Morey	820 Ashford Lane Fort Collins, CO 80526
Frederick L. Morey	1208 Willowrock Drive Loveland, CO 80537
Kenneth L. Morey	2516 Lake Drive Loveland, CO 80538

to vote thereon request the Board to submit the proposed amendment to a vote of the Members. Written notice setting forth the proposed amendment or a summary of changes to be effected thereby shall be given to each Member entitled to vote at such meeting within the time and in the manner provided in the Bylaws. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes which Members present at such meeting or represented by proxy are entitled to cast.

B. No amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

ARTICLE XII

DISSOLUTION

In the event of the dissolution of the Association, either voluntarily by the Members hereof, by operation of law, or otherwise, 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 the Association was created. Members shall be entitled to vote on the question of dissolution as provided in the Colorado Nonprofit Corporation Act. A resolution to dissolve the Association shall be adopted upon receiving the approval of First Mortgagees holding the First Mortgages on portions of the Property which have at least two-thirds (2/3) of the votes of those portions of the Property subject to First Mortgages, and upon receiving at least two-thirds (2/3) of the votes of each class whose Members present at the meeting or represented by proxy are entitled to cast votes, or, in the event of a mail vote, said resolution shall be adopted upon receiving at least two-thirds (2/3) of the votes of each class which are entitled to be cast on the question.

ARTICLE XIII

CONFLICTS OF INTEREST

No contract or other transaction of the Association with any person, firm, corporation, partnership, joint venture, trust, or other enterprise, or in which this Association is interested, shall be affected by reason of any of the directors, officers, or Members of this Association being interested, in their individual capacities as partners, or as an officer, director, member, or shareholder of another corporation; provided, however, the fact of such interest is known or disclosed to the Board in advance of such transaction. Any member of the Board so interested may be counted in determining the existence of a quorum at which the matter is considered and may vote at the meeting which this matter is taken up, as if he were not so interested.

ARTICLE XIV

CORPORATE OPPORTUNITIES

The directors, officers, and Members of the Association shall be subject to the doctrine of corporate opportunities only insofar as it applies to business opportunities in which this Association has expressed an interest as determined from time to time by the Board, as evidenced by resolutions appearing in its minutes. When so delineated, opportunities within such areas of interest shall be disclosed promptly to the Board. Until such time as this Association through its Board, has designated an area of interest, the directors, officers, and Members shall be free to engage in such areas and to continue a business existing prior to the time that such an area of interest has been designated.

ARTICLE XV

INDEMNITY

A. Pursuant to the procedure set forth below in Part B of this Article XV, the Association shall indemnify:

(1) Any person who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit, proceeding, whether civil or criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a director, officer, employee, committee member, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, committee member, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgements, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgement, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, committee member, or agent of the Association or

is or was serving at the request of the Association as a director, officer, employee, committee member, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect to any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought determined upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

B. To the extent that a director, officer, employee, committee member, or agent of the Association has been successful on the merits in defense of any action, suit, or proceeding referred to in Paragraph A(1) or A(2) above or in defense of any claim, issue, or matter therein, he shall be indemnified by the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

C. Any indemnification under Paragraph (1) or Paragraph (2) of Part A of this Article XV, unless ordered by the court pursuant to Paragraph (2) of such Part A, shall be made by the Association only if authorized in the specific case upon a determination that indemnification of the director, officer, employee, committee member, or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in said Paragraph (1) or Paragraph (2) of Part A. Such determination shall be made by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or if such a quorum is not obtainable, or even if obtainable, if a majority of the disinterested directors so direct, either (i) by independent legal counsel in a written opinion; (ii) by the Members; or (iii) by a committee of a least two (2) disinterested directors, or if there are no disinterested directors, then selected by the chief executive officer of the Association if he is disinterested. A director, Member, or officer shall be deemed disinterested in a matter if he has no interest therein other than as a director, officer, or Member of the Association, as the case may be. The Association may pay the fees and expenses of the directors, Members, or officers, as the case may be, reasonably incurred in connection with making a determination as provided above.

D. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action,

suit, or proceeding, if authorized in the manner provided in Part C above and upon receipt of an undertaking by or on behalf of the director, officer, employee, committee member, or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the Association.

E. The indemnification provided under this Article XV shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, Bylaw, agreement, vote of Members or disinterested directors, or otherwise, and any procedure provided for by any of the foregoing, both as to action in an official capacity and as to action in another capacity while holding such office, and the provisions of this Article shall continue to apply to a person who had ceased to be a director, officer, employee, committee member, or agent and shall inure to the benefit of the heirs, executors, and administrators, and personal representatives of such a person.

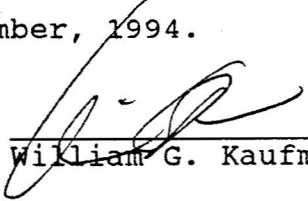
F. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, committee member, or agent of the Association or who is or was serving at the request of the Association as a director, officer, employee, committee member, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article XV.

ARTICLE XVI

CONFLICT WITH BYLAWS

Whenever a provision of these Articles of Incorporation is inconsistent with a provision of the Bylaws, the provision of the Articles of Incorporation shall be controlling.

EXECUTED this 9th day of November, 1994.



William G. Kaufman

