

NONPROFIT

ARTICLES OF INCORPORATION

THE UNDERSIGNED PERSON, acting as Incorporator of a Corporation under the Colorado Non-Profit Corporation Act, signs and acknowledges the following Articles of Incorporation for such Corporation:

ARTICLE I
Name

The name of the Corporation is the RIVER BEND TOWNHOME OWNERS ASSOCIATION, INC.

ARTICLE II
Duration

The duration of the Corporation shall be perpetual.

ARTICLE III
Purposes

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Section 1. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration of Restrictions, Easements and Covenants of River Bend Townhouses, Mesa County, Colorado (the "Declaration"), a subdivision of the Northwest Quarter of Section 22, Township 1 South, Range 1 East of the Ute Prime Meridian.

Section 2. To be the Association referred to in said Declaration, and to take such actions and perform such duties as are required of the Association in said Declaration, including the maintenance and administration of properties and facilities owned by the Association and to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration.

Section 3. Nonprofit purpose. The Corporation is formed exclusively for purposes for which a corporation may be formed under the Colorado Non-Profit Corporation Act and not for pecuniary profit or financial gain. No part of the assets, income or profit of the Corporation shall be distributable to, or inure any person except to the extent permitted under the Colorado Non-Profit Corporation Act. The Corporation shall not operate any listing service for its directors or contributors, or take steps which will serve to facilitate the transaction of specific business by its directors or promote the private interest of any director or contributor, or engage in any activities which would constitute a regular business of a kind ordinarily carried on for profit.

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ARTICLE IV
Registered Office

The address of the initial registered office of the Corporation in Colorado is 1005 North Twelfth Street, Suite 211, Gand Junction, Colorado 81501 and the name of its initial registered agent at such address is Arthur M. Pastel.

ARTICLE V
Powers

Section 1. The Corporation shall have such powers as allowed by the laws of the State of Colorado to corporations and to common interest community associations, as the laws may be amended from time to time, and as the Board of Directors may determine from time to time within the laws of this state.

Section 2. The Corporation is specifically empowered to enjoy all the powers given in 7-22-101, 3A C.R.S., except as limited herein, but including the power to indemnify and provide for personal liability of directors, officers, employees and agents as permitted by 7-22-101.5, 3A C.R.S.

Section 3. The Corporation shall be the Association referred to in the Declaration, and to take such actions and perform such duties as are required of the Association in said Declaration, including the maintenance and administration of common areas, properties and facilities owned by the Association and to provide for the exterior maintenance and to obtain necessary insurance, including structural insurance for all units. In order to discharge its powers and duties, the Corporation is authorized to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration.

Section 4. Upon the affirmative vote of two-thirds of the Board of Directors, the Corporation shall have the power to borrow money and to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or rights incurred;

Section 5. Upon the affirmative vote of two-thirds of the Members, the Corporation shall have the power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members in such affirmative vote.

ARTICLE VI
Income and Distribution

No part of the income of the Corporation shall inure to the benefit of any Member, trustee, director, officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Member, trustee, officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the Corporate assets on dissolution of the Corporation.

ARTICLE VII
Distribution on Dissolution or Liquidation

In the event of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, no person shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Corporation from any source, after the payment of all debts and obligations of the Corporation, shall be used or distributed to either a public body or a not-for-profit organization discharging similar duties and functions as the Association.

ARTICLE VIII
Members, Voting Privileges and Duties

Section 1. The corporation shall be a member Corporation.

Section 2. Every record owner of a fee or undivided fee interest in any Lot in River Bend Townhome shall be a Member of the River Bend Townhome Owners Association, Inc. The foregoing is not intended to include persons or entities who hold an interest merely as security for performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3. Each Lot carries with it one vote in all matters on which the Members of the Association are entitled to vote. When more than one person owns an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The vote allocated to a Lot may be suspended for any money owed the Associate by the Lot owners that is in arrears, for the period of such arrearage, by the Board of Directors on written notice to the affected Member(s).

Section 4. Any privilege or service the Association provides to Lots or Members is conditioned upon the Member's payment of fees and charges established by the Board for such privilege or service. If any Member or Lot exercises any privileges or receives any services for which payment is not made, the Association may refer the matter for collection to a collection agency or attorney.

ARTICLE IX
Membership Classes and Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on July 1, 2002; or
- (c) the date on which Declarant voluntarily relinquishes its Class B membership, as

evidenced by a notice recorded in the office of the Clerk and Recorder for Mesa County, Colorado.

ARTICLE X
Officers

Section 1. There shall be four officers: President, a Vice-president, a Secretary and a Treasurer, and other such officers as the Board deems necessary.

Section 2. One person may occupy more than one office, but no person may simultaneously hold the offices of President and Secretary.

Section 3. Officers shall be selected for terms of one year by the Board, and serve at the direction and pleasure of the Board.

Section 4. Offices named herein shall be held by Directors.

ARTICLE XI
Directors

Section 1. The management of the Corporation shall be vested in a Board of Directors. The initial board shall be one (1) in number. Thereafter, the number of directors on subsequent boards of directors shall be established in the Bylaws, and the number may be increased or decreased from time to time as provided by the Bylaws; however, no change in number of directors shall have the effect of shortening the term of any sitting director.

Section 2. The initial Board of Directors shall be the person whose name is set forth below, and shall serve until the first annual meeting of the Corporation.

Section 3. The initial Board of Directors shall be:

Name	Address
PATRICIA LANIER	11999 San Vicente Blvd., Suite 440 Los Angeles, CA 90049

ARTICLE XII
Bylaws

The original Bylaws of the Corporation shall be adopted by the Board of Directors. Thereafter, the Board of Directors shall have power to amend and rescind such Bylaws or to adopt new Bylaws, but a two-thirds majority of those present shall be required to make such changes.

ARTICLE XIII
Amendments

Amendments of these Articles of Incorporation may be adopted only by a two-thirds majority vote of the Members.


ARTICLE XIV
FHA/VA Approval

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administrator or the Veteran Administration: Annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles.

ARTICLE XIII
Data Respecting Incorporator

The Incorporator is a person of more than eighteen years of age, namely Alan N. Hassler, 225 North Fifth Street, Suite 505, Grand Junction, CO 81501.

IN WITNESS WHEREOF, the undersigned Incorporator has hereunto set his hand and seal at Grand Junction, Colorado, this 17th day of April, 1997.



Incorporator Alan N. Hassler