ARTICLES OF INCORPORATION
OF
TOWN AND COUNTRY OWNERS' ASSOCIATION

The undersigned, as incorporators, have this date voluntarily associated themselves together for the purpose of forming a private nonprofit membership corporation under and by virtue of the laws of the State of Arizona, and do hereby adopt the following Articles of Incorporation:

ARTICLE I

Name

The name of the corporation shall be TOWN AND COUNTRY OWNERS' ASSOCIATION.

ARTICLE II

Definitions

The words and terms used herein shall be deemed to have the same definitions and meanings as in the Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions for Town and Country Biltmore Townhomes which was recorded in the Office of the County Recorder of Maricopa County, Arizona on JAN. 4, 1980, in Docket 14138, pages 831-887 et seq. Such Declaration, as so amended or as hereafter amended from time to time, is hereinafter termed the Declaration.

ARTICLE III

Duration

The corporation shall exist perpetually.

ARTICLE IV

Purposes

The corporation does not contemplate pecuniary gain or profit to the Members thereof, and the Members shall have no individual interest in the profits of the corporation, if any. The specific purpose for which the corporation is formed is to fulfill all the duties and responsibilities, and to exercise all the rights, powers and prerogatives, of the Association as set forth in the Declaration and to act as and constitute the council of co-owners and the governing

body of and for Town and Country Biltmore Townhomes, a horizontal property regime existing by virtue of the Declaration upon the real property described in the Declaration.

In furtherance of such purpose, the corporation shall be authorized and empowered to perform all acts and do all things provided for or contemplated in or permitted by the Declaration or which a nonprofit corporation formed under the laws of the State of Arizona, might perform or do, including but not limited to the following:

(a) To accept such properties, improvements, rights and interests as may be conveyed, leased, assigned, or transferred to the corporation; to assume such obligations and duties as may be contained in any lease assignment or transferred to the corporation; to maintain, operate and otherwise manage all buildings, structures, improvements, landscaping, parking areas, walks, common elements, common areas, recreational areas and facilities now or hereafter on said property; to pay all taxes and assessments, if any, which may properly be levied against properties of the corporation; to repair, rehabilitate and restore all buildings, structures and improvements on said property; to insure said property and all buildings and structures thereon against such risks as may be required by the Declaration or as the Board of Directors shall determine; to make assignments and assessments for maintenance and operating charges as the Board of Directors shall determine in accordance with the Declaration and the By-Laws of the corporation and to enforce the collection of such assessments; to impose liens against individual Units to secure the payment of obligations due from the Owners thereof, and to collect, sue for, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Declaration; to act as Lessee under the Lease from Arizona Eastern Star Home and to pay all rental thereon and to act as Sublessor of each of the Units; to pay all maintenance, operating and other costs and to do all things and acts which in the sole discretion of the Board of Directors shall be deemed to be in the best interests of the Members of the corporation or for the peace, comfort, safety or general welfare of the Members of the corporation, all in accordance with the Declaration; and to do all things necessary or appropriate to carry out and to enforce the terms and provisions of the Declaration.

(b) To purchase or otherwise acquire title to Units or to hold and exercise options to purchase the same, and to lease Units in the corporation's name as lessee and to sell and lease or to grant options to lease and purchase Units; and, if the corporation becomes the Owner or Sublessee of a Unit, to perform all of the obligations of an Owner or Sulessee thereof and to assume and agree to pay any Mortgage constituting a lien upon the Unit.

(c) To develop, construct, purchase, lease, own, improve, maintain, operate and hold real and personal property of every kind and description; to sell, convey, and lease such property; and to mortgage, assign and pledge or otherwise encumber such property.

(d) To borrow money, and to issue notes, bonds, and other evidences of indebtedness in furtherance of any or all of the objects and purposes of the corporation, and to secure the same by mortgage, trust deed, pledge or other lien on or security interest in property of the corporation.

(e) To enter into, perform and carry out leases and contracts of any kind necessary to or in connection with or incidental to the accomplishment of any one or more of the objects and purposes of the corporation.

(f) To make refunds of excess payments from Members, as provided in the Declaration or the By-Laws.

(g) To lend or invest its working capital and reserves with or without security.

(h) To act as surety or guarantor, agent, trustee, broker or in any other capacity when appropriate to the fulfillment and the furtherance of its objects and purposes.

(i) To procure all types and kinds of insurance as shall be deemed to be in the best interests of the corporation.

(j) In general, to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and required or as may be deemed appropriate by the Board of Directors from time to time.

ARTICLE V

Character of Business

The character of business which the corporation initially intends actually to conduct in Arizona is the fulfillment of all its duties and responsibilities and the exercise of all its rights, powers and prerogatives under the Declaration.

ARTICLE VI

Membership; Classes of Members; Voting Rights

Other than its Members, the corporation shall have no shareholders, and no capital stock shall be authorized or issued. The Members of the corporation shall be the Owners of Units, as provided in the Declaration. Each Owner shall be a Member of the corporation as soon and so long as he shall be an Owner. Such membership shall automatically terminate when an Owner ceases for any reason to be an Owner, and the new Owner shall likewise automatically succeed to such membership in the corporation. A membership in the corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of the entire Subleasehold estate to the Unit to which it appurtains (and then only to the new Owner) or by intestate succession, testamentary disposition, foreclosure of a mortgage of record of other legal process transferring the entire Subleasehold estate to such Unit to a new Sublessee (and then only to the Sublessee to whom such fee simple title is transferred). Notwithstanding the foregoing, in the event that an Owner has granted an irrevocable proxy or otherwise pledged or alienated the voting right of his Unit regarding special matters to a Mortgagee as additional security, only the vote of such Mortgagee will be recognized in regard to such special matters, if a copy of such proxy or other instrument pledging or alienating such vote has been filed with the Board of Directors. In the event that more than one such instrument has been filed, the Board of Directors shall recognize the rights of the first Mortgagee to so file, regardless of the priority of the Mortgages themselves. Any attempt to make a prohibited transfer of a membership is void and will not be recognized by or reflected upon the books and records of the corporation. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the transferee of such Unit, the corporation shall have the right to record a transfer upon the books of the corporation and issue a new membership to the new Owner, and thereupon the old

membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

The corporation shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and, except as hereinafter provided in the case of election of directors, shall be entitled to one vote for each Unit of which such Owner is the Sublessee. When more than one person are Sublessees of any Unit, all such persons shall be Members. The voting for such Unit shall be exercised as such persons among themselves determine, but one and only one undivided vote shall be cast with respect to any Class A Unit.

Class B. The Class B Member shall be the Declarant who initially shall hold 61 Class B memberships (one for each Unit of which Declarant is initially the Sublessee) and shall be entitled to three (3) votes for each such Unit. Each such vote may be cast in such proportions on any matter as such Declarant may determine. Class B memberships shall cease and be converted to Class A memberships, without further act or deed, upon the happening of any of the following events:

(a) Upon the transfer of the entire Subleasehold estate to any Unit by such Declarant, or as the result of a foreclosure or trustee's sale of such Subleasehold estate, other than in connection with an assignment by Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment by such Declarant to any lender as security), with respect to the Unit or Units sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(i) When Subleasehold estates to ninety-five percent (95%) of the Units shall have been transferred to persons other than the Declarant, so that the Declarant is Sublessee of three (3) Units or less; or

(ii) On January 1, 1985; or

(iii) At such earlier time as Declarant may elect in its sole discretion by recording a notice of such election with the County Recorder of Maricopa County, Arizona.

So long as any Class B membership remains outstanding, the Class A memberships shall not be entitled to cast any vote with respect to the election of directors.

The first annual meeting of the Members of the corporation shall be held thirty (30) days after the initial conversion of all Class B memberships to Class A memberships, as above provided, or at such earlier time as the Board of Directors shall designate. The dates of subsequent annual meetings shall be as provided in the By-Laws of the corporation.

ARTICLE VII

Statutory Agent

The name of the corporation's initial statutory agent is Hamilton E. McRae III, and his address is 111 West Monroe, Phoenix, Arizona 85003. The initial statutory agent is an individual who has been a resident of this state for three (3) years.

ARTICLE VIII

Directors

The affairs of the corporation shall be managed by a board of not less than three (3) directors, as determined from time to time by the By-Laws and amendments thereto. The initial board of directors shall consist of three (3) directors. The directors shall have all applicable qualifications required by paragraph 4.2 of the Declaration. Until the first annual meeting of the Members and until their successors are elected and shall qualify, the following persons shall constitute the Board of Directors of the corporation:

Name	Address
John N. DePoe, Jr.	2211 East Highland, Ste. 200 Phoenix, Arizona 85016
Richard C. Withers	2211 East Highland, Ste. 200 Phoenix, Arizona 85016
Robert J. Leander	2211 East Highland, Ste. 200 Phoenix, Arizona 85016

Commencing with the first annual meeting, the Board of Directors shall be elected annually for a term of one (1) year, or until their successors are elected and qualified, by the Members at the annual meeting of the Members of the corporation, and such Members shall be entitled to cumulate their votes in the manner provided by Section 10, Article XIV of the Constitution of the State of Arizona.

The Board of Directors shall have the power to adopt By-Laws, to amend or repeal the same, to fill vacancies occurring in the Board of Directors, and to elect officers, agents and committees, with such members, powers and authority as they may confer.

ARTICLE IX

Incorporators

The name and address of each incorporator is as follows:

Name	Address
John N. DePoe, Jr.	2211 East Highland, Ste. 200 Phoenix, Arizona 85016
Richard C. Withers	2211 East Highland, Ste. 200 Phoenix, Arizona 85016
Robert J. Leander	2211 East Highland, Ste. 200 Phoenix, Arizona 85016

ARTICLE X

Known Place of Business

The initial known place of business of the corporation shall be 2211 East Highland, Suite 200, Phoenix, Arizona 85016.

ARTICLE XI

Amendments

These Articles of Incorporation shall not be amended to contain any provisions which would be contrary to or inconsistent with the Declaration as in effect from time to time, and any provision of or purported amendment to these Articles of Incorporation which is contrary to or inconsistent with the Declaration as in effect from time to time shall be void to the extent of such inconsistency and the provisions of such Declaration shall prevail.

ARTICLE XIII

Indemnification

The corporation shall indemnify all of its directors and officers, and its former directors and officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such person for acts or omissions alleged to have been committed by any such person while acting within the scope of his employment as a director or officer of the corporation, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him in any such legal action. Whenever any such present or former director or officer shall report to the President of the corporation or the Chairman of the Board of Directors that he has incurred or may incur any such expenses, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore. Nothing contained herein shall limit any right of indemnification provided by Arizona Revised Statutes, Section 10-005, or other applicable law.

IN WITNESS WHEREOF, for the purpose of forming a corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this

corporation, have executed these Articles of Incorporation this _____ day of _____, 19____.

_____
John N. DePoe, Jr.

_____
Richard C. Withers

_____
Robert J. Leander

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by JOHN N. DEPOE, JR.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by RICHARD C. WITHERS.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by ROBERT J. LEANDER.

_____
Notary Public

My Commission Expires:

_____