

ARTICLES OF INCORPORATION
OF
QUAIL LANDING HOMEOWNER'S ASSOCIATION, INC.

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 QUAIL LANDING HOMEOWNER'S ASSOCIATION, INC.

ARTICLE II

Definitions

The words and terms used herein shall be deemed to have the same definitions and meanings as in the Declaration of Covenants, Conditions and Restrictions for Quail Landing, which was recorded in the Office of the County Recorder of Maricopa County, Arizona, on the _____ day of _____, 1983, in Instrument No. _____ 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 purpose for which this corporation is formed is to act as a "residential real estate management association" within the meaning of Section 528 of the Internal Revenue Code of 1954, and any amendments thereto; to provide for the maintenance of the common areas and facilities and to act as the association of homeowners for the Development for the benefit of all the Owners of Lots therein, as contemplated and provided for in the Declaration; to perform all of the duties and obligations and exercise all of the powers and privileges of the Association as set forth in the Declaration; and to do all other things and exercise all powers and rights of a corporation which are lawful and consistent with the foregoing purposes, the Declaration, and the nonprofit character of this corporation. Without limiting the generality of the foregoing, to the extent authorized by its Board of Directors and in accordance with the provisions of the

Declaration (and not in derogation thereof), the Association shall be empowered:

(a) To make and collect assessments against Members to defray the costs of the Development, and to use the proceeds of assessments in the exercise of its power and duties;

(b) To maintain, operate, repair, rehabilitate, restore, make replacements to, and provide for the operation and management of the common areas and all structures, improvements and facilities thereon;

(c) To pay all taxes and assessments, if any, which may properly be levied against properties of the Association, and to repair, rehabilitate and restore all buildings, structures and improvements on said properties;

(d) To insure all buildings and structures on the common areas and the property of the Association as required by the Declaration and to insure against such risks and perils as required by the Declaration, together with such additional risks as the Board of Directors may determine;

(e) To make and amend rules and regulations respecting the use of the common areas and the Units as may be consistent with the Declaration;

(f) To impose liens against individual Lots to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose or otherwise enforce, compromise, release, satisfy and discharge such demands and liens in accordance with the Declaration;

(g) To do all things necessary to carry out and to enforce the terms and provisions of the Declaration, and to pay all maintenance, operating and other costs and to do all things and acts which may be in the best interests of the Members of the Association or for the peace, comfort, safety or general welfare of the Members of the Association, all in accordance with the Declaration;

(h) To contract for the management of the development and to delegate to the management entity such powers and duties as determined by the Board of Directors, but subject to the provisions of the Declaration, these Articles, and the By-Laws of the Association;

(i) To 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;

(j) To borrow money, and to issue notes, bonds and other evidence of indebtedness in furtherance of any or all of

the objects and purposes of the Association; and with the consent of two-thirds (2/3) of each class of Members, to secure the same by mortgage, trust deed, pledge, or other lien on or security interest in, property owned by the Association;

(k) To dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of Members agreeing to same, and the consent(s) of First Mortgagees have been obtained, all as required by the Declaration;

(l) To enter into, perform and carry out leases and contracts of any kind necessary to or in connection therewith or incidental to the accomplishment of any one or more of the objects and purposes of the Association;

(m) To make refunds of excess payments or charges, to Members as provided for in the Declaration or the By-Laws;

(n) To lend or invest its working capital and reserves in a prudent manner;

(o) 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; and

(p) 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.

No part of the net earnings of this corporation shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Association property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Owner, director or other individual. Notwithstanding any other provisions of these Articles of Incorporation, the Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1954, as amended.

ARTICLE V Initial Business

The character of the business the corporation initially intends to conduct in Arizona is: To act as the homeowners association for the Development, assessing its Members and providing for the maintenance, repairs and activities for the Development as contemplated by and provided in the Declaration.

ARTICLE VI
Membership

This corporation shall be a non-stock corporation composed of Members who shall be all of the owners of Lots in the Development. No dividends or pecuniary profits shall be paid to its Members, and Membership in the Association shall be limited to owners of Lots in the Development, and all of the Owners of Lots in the Development shall be Members of the Association. An owner's membership in the Association shall cease and terminate, immediately, upon the Owner ceasing to be an Owner of a Lot in the Development. Membership in the Association, and any member's share, right, title or interest in and to the funds or assets of the Association cannot be transferred, assigned or hypothecated in any manner whatsoever, except as an appurtenance to the Member's ownership of a Lot within the Development, all as more particularly set forth in the Declaration. Notwithstanding the foregoing, if an Owner has granted a proxy or otherwise restricted the voting right of his Lot regarding special matters to a First Mortgagee, only the vote of such First Mortgagee will be recognized in regard to such special matters, if proper documentation has been filed with the Board of Directors.

The corporation shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of all Lots with the exception of the Declarant (unless the Declarant owns a Lot after expiration of the Class B membership). A Class A Member shall be entitled to one vote for each Lot owned.

Class B. The Class B Member shall be the Declarant who shall hold ~~three~~ (3) Class A memberships and shall be entitled to three (3) votes for each Lot owned by Declarant.

The Class B Membership shall cease and convert to Class A Membership upon the earlier of the following: (i) when the total votes outstanding in the Class A Membership equals the number of votes attributable to Class B Membership, or (ii) July 1, 1986.

Notwithstanding the foregoing, as additional property (and more lots) are added to the Development, as set forth in the Declaration, the number of members shall increase and the Class B membership shall not convert to Class A membership until all the additional property is made a part of the Development, and the voting numbers set forth above are then met.

The first annual meeting of the Members of the corporation shall be held not later than one (1) year from the date of incorporation. The dates of subsequent annual meetings shall be as provided by the By-Laws of the corporation.

ARTICLE VII
Board of Directors

The affairs of the Association shall be conducted by an initial Board of Directors consisting of not less than five (5) nor more than nine (9) directors. Members of the Board shall be elected at the annual meeting of the Association, or at a special meeting called for that purpose. Members of the Board need not be Members of the Association. Board members shall serve until their successors are elected and qualified. On _____, 1983, at 3:00 p.m., a meeting of the undersigned was held at 830 North First Avenue, Phoenix, Arizona 85003, and the following persons were unanimously elected as the initial Board of Directors, to serve until the first meeting of the Members of the Association or until their successors are duly elected and qualified.

ARTICLE VIII
Conflict of Interest

To the maximum extent allowed by applicable law, no contract, agreement, transaction or arrangement between this corporation and any person, corporation, partnership or other entity shall be affected or invalidated in any way by the fact that any one or all of the directors or officers of this corporation are pecuniarily or otherwise interested in same or are the directors, partners, officers or other personnel of any such other corporation, partnership or entity. No director or officer shall be incapacitated or in any way prohibited from acting or voting by reason of any interest in the contract, agreement, transaction or arrangement, and no person, corporation, partnership or other entity, shall be liable to account to this corporation for any profit realized on account of any such contract, agreement, transaction or arrangement by reason of such interest, unless it is affirmatively shown that said profit was obtained through actual fraud.

ARTICLE IX
Incorporators

The name and address of each incorporator is as follows:

ARTICLE X
Known Place of Business

The intial known place of business of the corporation shall be _____, Arizona _____.

ARTICLE XI
Amendments

Subject to the provisions hereinafter stated, these Articles of Incorporation shall only be amended with: (i) the approval of at least seventy-five percent (75%) of the vote of each class of membership, and (ii) the Veterans Administration so long as Class C membership exists. At least ten (10) days prior written notice shall be given to all First Mortgagees.

ARTICLE XII
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 have 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.

ARTICLE XIII
Limitations

No amendment to these Articles, nor any action taken by the Association pursuant hereto shall be contrary to, or in conflict with, the limitations and other matters set forth in the Declaration.

ARTICLE XIV
Inconsistencies

In the event that any part or provision of these Articles of Incorporation are in conflict with or inconsistent with the Declaration, the terms and provisions of the Declaration shall prevail and supersede such conflicting or inconsistent provisions hereof.

ARTICLE XV
By-Laws

The initial By-Laws of the Association may be adopted by the Board of Directors, herein designated. Amendments, alterations and repeal of the By-Laws may be made only upon the affirmative vote of a majority of the votes of each class of members then entitled to vote at any regular or special meeting. Voting may be in person or by proxy, and meetings called for such purpose must be preceded by ten (10) days' written notice to all First Mortgagees (as defined in the Declaration). The By-Laws and any amendments or alterations thereto shall be valid only if consistent with the Declaration and these Articles of Incorporation.

ARTICLE XVI
Statutory Agent

The name of the corporation's initial statutory agent is Mark Leibsohn, and his address is 830 North First Avenue, Phoenix, Arizona 85003. The initial statutory agent is an individual who has been a resident of this State for three (3) years.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 198__.

INCORPORATORS

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this the _____ day of _____, 198__, before me,
the undersigned Notary Public, personally appeared _____
_____, known to me to be the person whose name is sub-
scribed to the foregoing instrument, and acknowledged that (s)he
executed the same for the purposes therein contained.

My Commission Expires: _____

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this the _____ day of _____, 198__, before me,
the undersigned Notary Public, personally appeared _____
_____, known to me to be the person whose name is sub-
scribed to the foregoing instrument, and acknowledged that (s)he
executed the same for the purposes therein contained.

My Commission Expires: _____

Notary Public

State of Arizona



OFFICE OF THE CORPORATION COMMISSION

CERTIFICATE OF REINSTATEMENT

QUAIL LANDING HOMEOWNER'S ASSOCIATION, INC.
161255-6

Effective this date, the ARIZONA CORPORATION COMMISSION, pursuant to Arizona Revised Statutes, Sections 10-095 and 10-1052, hereby REINSTATES the Articles of Incorporation for the above-named corporation.

Richard Kimball

RICHARD KIMBALL
(Chairman)

Renzo D. Jennings

RENZO D. JENNINGS
(Commissioner)

Marcia Weeks

MARCIA WEEKS
(Commissioner)



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed the official seal
of the Arizona Corporation Commission.
Done at Phoenix, the Capital, this

13th day of NOVEMBER,

19 85, A.D.

James Matthews
Executive Secretary

By *James Matthews*

St. Terry
New Agents = McManon
11-26-86



B.O. QUAIL LANDING
Runs '86'87

File Legal

4835 E. Kachina Trail #1
ARIZONA CORPORATION COMMISSION Phx 85044

TO: CORP.

DATE: 9-9-86

RE: RESIGNATION OF AGENT

allok
Filed
12-10-86

CORPORATE NAME: QUAIL LANDING HOMEOWNER'S ASSOCIATION, INC. Fee \$10.00
*QUAIL VISTA VILLAGE HOMEOWNER'S ASSOCIATION, INC. \$25. Reinstates
NAME OF RESIGNING AGENT: MARK Leibsohn

THIS APPOINTMENT TERMINATES: 8-18-86
NEW AGENT MUST BE APPOINTED EFFECTIVE: 9-30-86

Per Arizona Revised Statutes 10-013, the following items must be provided before we can complete a change of statutory agent:

1. A letter from the corporation, signed by the President or Vice-President, appointing the new agent and including exact corporate name.
2. A letter from the new statutory agent, consenting to act as agent for service of process.
3. A street address or a descriptive location for the address of the statutory agent as papers cannot be served to a post office box.

NOTE: STAT. AGENT MUST BE A RESIDENT OF ARIZONA AT LEAST 3 YEARS OR MORE.
Please return all of the enclosed papers. Thank you.

VIRGINIA RODRIGUEZ

Annual Reports Section - (602) 255-3285
Corporations Division
Arizona Corporation Commission
P. O. Box 6019, Phoenix, Arizona 85005

NC 36
ev. 2/85

Law Offices

MARK LEIBSOHN

Professional Corporation

201 West Coolidge Phoenix, Arizona 85013 (602) 234-0800

August 14, 1986

Arizona Corporation Commission
P. O. Box 6019
Phoenix, Arizona 85005

Re: Quail Landing Homeowner's Association, Inc.

Gentlemen:

The undersigned hereby resigns as statutory agent of Quail
Landing Homeowner's Association, Inc. effective this date.

Sincerely,

MARK LEIBSOHN
PROFESSIONAL CORPORATION

By 

Mark Leibsohn

ML/dw

cc Quail Landing Homeowner's Association, Inc.

CORPORATIONS DIV.
RECEIVED

AUG 18 1986

DOCUMENTS ARE SUBJECT
TO REVIEW BEFORE FILING