

AZ. CORP. COMMISSION FOR THE STATE OF AZ. FILED	
JAN 31 '80	
APPR. <u>AL BLACKWELL</u>	
DATE APPR. <u>2/1</u>	FILE # _____
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DATE _____	TIME _____

ARTICLES OF INCORPORATION
OF
THE QUAIL CANYON HOMEOWNERS MASTER
ASSOCIATION

In compliance with the requirements of Arizona Revised Statutes, 10-451 **503872** through 10-458, the undersigned, all of whom are residents of Arizona and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is The Quail Canyon Homeowners Master Association, hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 8257 East Broadway, Tucson, Arizona 85731.

ARTICLE III

William A. Estes, Jr., whose address is 425 South Brown Way, Tucson, Arizona 85710, is hereby appointed the initial registered agent of this Association.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residence Lots and Common Area within that certain tract of property described as:

Lots 1-364 inclusive, Quail Canyon, as recorded in the Pima County Recorder's Office.

and to promote the health, safety, and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Pima County Recorder, Pima County, Arizona and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) 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. 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 such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot

which is subject to assessment by the Association.

ARTICLE VI
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.

When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

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 on 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 January 1, 1986.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
<u>WILLIAM A. ESTES, JR.</u>	<u>425 S. Brown Way, Tucson, Arizona</u>
<u>JAMES N. SHEDD</u>	<u>6937 N. Mercer Springs Place</u> <u>Tucson, Arizona</u>
<u>JON A. GROVE</u>	<u>7155 N. Finger Rock</u> <u>Tucson, Arizona</u>
<u>KIM A. RICHARDS</u>	<u>7112 N. Chimney Rock</u> <u>Tucson, Arizona</u>
<u>CHRISTOPHER H. SHEAFE</u>	<u>6932 N. Push Peak</u> <u>Tucson, Arizona</u>

At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect directors whose term may expire and thereafter all terms shall be for two years.

**ARTICLE VIII
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

**ARTICLE IX
DURATION**

The corporation shall exist perpetually.

**ARTICLE X
AMENDMENTS**

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

**ARTICLE XI
FHA/VA APPROVAL**

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

**ARTICLE XII
CORPORATE INDEBTEDNESS**

The highest amount of indebtedness of liability, direct or contingent, to which this corporation shall subject itself at any time is fifty thousand dollars (\$50,000.00).

**ARTICLE XIII
EXEMPTION OF PRIVATE PROPERTY**

The private property of the members of this corporation shall be exempt from corporate debts.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 15th day of January, 1980.

William A. Oster
William A. Oster
John A. Oster
John A. Oster

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
THE QUAIL CANYON HOMEOWNERS MASTER ASSOCIATION

Pursuant to the provisions of Section 10-1034, Arizona Non-profit Corporation Act, the undersigned corporation adopts the attached Articles of Amendment to its Articles of Incorporation:

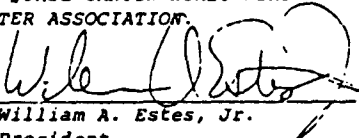
ARTICLE XIV

Power of the Board of Directors

The Board of Directors will have the power to adopt additional By-Laws as needed to carry out its duties as outlined in Articles I through XIII.

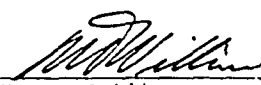
Dated: _____, 1980.

THE QUAIL CANYON HOMEOWNERS
MASTER ASSOCIATION.

By: 
William A. Estes, Jr.
President

STATE OF ARIZONA)
) SS
COUNTY OF PINA)

This instrument was acknowledged before me this 30 day of July, 1980, by William A. Estes, Jr., President of The Estes Co., an Arizona Corporation, general partner of Estes Homes, an Arizona partnership.


Notary Public

My Commission Expires: 5-23-81