

**ARTICLES OF INCORPORATION  
OF**AZ CORPORATION COMMISSION  
FILED**QUAIL RUN CONDOMINIUM ASSOCIATION**

JAN 10 2006

FILE NO.

1250697-0**ARTICLE I  
NAME AND DURATION**

The name of the corporation is Quail Run Condominium Association. The corporation shall exist perpetually.

**ARTICLE II  
DEFINED TERMS**

Each capitalized but undefined term used in these Articles of Incorporation (the "Articles") shall have the meaning specified for such term in the Arizona Condominium Act, Arizona Revised Statutes ("A.R.S.") §33-1201, et seq., and the Condominium Declaration for Quail Run Condominiums to be recorded in the official records of the County Recorder of Maricopa County, Arizona, as amended from time to time (the "Declaration").

**ARTICLE III  
KNOWN PLACE OF BUSINESS**

The known place of business of the Association is:

22814 North 52<sup>nd</sup> Street  
Phoenix, Arizona 85054

**ARTICLE IV  
STATUTORY AGENT**

The name and address of the initial statutory agent of the Association is:

Margaret L. Steiner  
Dodge, Anderson, Mablesen, Steiner, Jones & Horowitz, Ltd.  
3003 North Central Avenue, Suite 1800  
Phoenix, Arizona 85012

**ARTICLE V  
CHARACTER OF BUSINESS**

The Association is organized as a nonprofit corporation under the Arizona Nonprofit Corporation Act, as set forth in Title 10 of the A.R.S. The character of the business which the Association intends to conduct in Arizona is to (A) constitute the Association referred to in the Declaration; (B) provide for the management, maintenance and care of the Common Elements; and (C) exercise and perform such other powers and duties as are imposed upon or granted to the Association under the Condominium Act and the Condominium Documents.

**ARTICLE VI  
CAPITAL STOCK**

The Association shall have no capital stock. No dividends or pecuniary profits shall be declared or paid to the Members or to any other private individual, and all of the Association's earnings shall be used to further the purposes of the Association.

**ARTICLE VII  
MEMBERS AND VOTING RIGHTS**

The Members of the Association shall be the Owners of the Units. Each Unit Owner shall be a mandatory Member of the Association, and no Member shall have the right to resign as a Member of the Association. By acquiring fee title to or otherwise becoming the Owner of a Unit, a Person consents to becoming a Member of the Association. Each Unit Owner shall have such rights, privileges and votes in the Association as are set forth in the Declaration. The provisions of the Declaration with respect to membership in the Association and the voting rights of the Members are hereby incorporated in these Articles by this reference.

**ARTICLE VIII  
BOARD OF DIRECTORS**

The number of Directors constituting the initial Board of Directors shall be one (1). The name and address of the initial Director of the Association who shall serve until his death, resignation or removal is as follows:

<b>Name</b>	<b>Address</b>
Avram Covaciu	22814 North 52 <sup>nd</sup> Street Phoenix, Arizona 85054

The number of Directors may be changed from time to time by the Board of Directors, but the number of Directors may not be less than one (1) nor more than nine

(9) and must be an odd number. After the expiration of the Period of Declarant Control, the number of Directors must be at least three (3).

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that during the Period of Declarant Control, the Declarant, without the consent of any Unit Owner, may amend the Bylaws in order to: (A) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner; (B) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect any Unit Owner; or (C) comply with the regulations or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration.

#### **ARTICLE IX OFFICERS**

The following person shall be the initial Officer of the Association and shall hold the positions opposite his name until the first annual meeting of the Association and until his successors have been elected and qualified:

Avram Covaciu	-	President
Avram Covaciu	-	Vice President
Avram Covaciu	-	Secretary
Avram Covaciu	-	Treasurer

#### **ARTICLE X LIABILITY**

The personal liability of a Director of the Association to the Association or its Members for money damages for any action taken or any failure to take any action as a Director is hereby eliminated to the fullest extent permitted by the Arizona Nonprofit Corporation Act, as amended from time to time. Any repeal or modification of this Article X shall be prospective only and shall not adversely affect the personal liability of a Director or prior Director for any act or omission occurring prior to the effective date of such repeal or modification.

#### **ARTICLE XI INDEMNIFICATION**

The Association shall indemnify any person made a party to any civil suit or criminal, administrative or investigative action, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a member, director,

officer, employee or agent of the Association against expenses, including attorneys' fees, and judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, if he or she acted, or failed to act, in good faith and he or she reasonably believed: (A) in the case of conduct in an official capacity with the Association, that the conduct was in its best interest; (B) in all other cases, that the conduct was at least not opposed to its best interests; and (C) in the case of any criminal action or proceeding, that he or she had no reasonable cause to believe the conduct was unlawful. Any indemnification of the members, directors, officers, employees or agents of the Association shall be governed by and made in accordance with the Arizona Nonprofit Corporation Act. Any repeal or modification of this Article XI shall be prospective only and shall not adversely affect, defeat or limit the right of any person to indemnification for any act, or failure to act, occurring prior to the effective date of such repeal or modification.

## **ARTICLE XII DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by Members representing not less than eighty percent (80%) of the authorized votes of the membership. So long as the Declarant owns one (1) or more Units, the Association may not be dissolved without the prior written approval of the Declarant.

## **ARTICLE XIII AMENDMENTS**

These Articles may be amended by Members holding at least sixty-seven percent (67%) of the total votes in the Association, except that during the Period of Declarant Control the Declarant shall have the right to amend these Articles in order to: (A) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner; (B) correct any error or inconsistency in the Bylaws if the amendments does not adversely affect any Unit Owner; or (C) comply with the requirements or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration. So long as the Declarant owns any Unit, any amendment to these Articles must be approved in writing by the Declarant.

## **ARTICLE XIV INCORPORATOR**

The name and address of the incorporator of the Association is:

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**Name****Address**

Avram Covaciu

22814 North 52<sup>nd</sup> Street  
Phoenix, Arizona 85054

All powers, duties and responsibilities of the Incorporator, as incorporator, shall cease at the time of filing of these Articles of Incorporation with the Arizona Corporation Commission.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation as of this 21<sup>st</sup> day of December, 2005.




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AVRAM COVACIU  
22814 North 52nd Street  
Phoenix, Arizona 85054

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**CONSENT OF STATUTORY AGENT**

Margaret L. Steiner, having been designated to act as Statutory Agent for Quail Run Condominium Association hereby consents to act in that capacity until removal or resignation is submitted in accordance with the Arizona Revised Statutes.

  
MARGARET L. STEINER  
Dodge, Anderson, Mablesen, Steiner, Jones &  
Horowitz, Ltd.  
3003 North Central Avenue, Suite 1800  
Phoenix, Arizona 85012-2909

ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington  
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress  
Tucson, Arizona 85701-1347

NONPROFIT  
CERTIFICATE OF DISCLOSURE  
A.R.S. § 10-3202.D

Quail Run Condominium Association  
EXACT CORPORATE NAME

- A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:
1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
  2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
  3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
    - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
    - (b) Involved the violation of the consumer fraud laws of that jurisdiction?; or
    - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes \_\_\_\_\_ No X

B. IF YES, the following information MUST be attached:

- |   |  |
|---|--|
| 1. Full name and prior name(s) used.                        | 6. Social Security number.   |
| 2. Full birth name.   | 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case. |
| 3. Present home address.                                    |  |
| 4. Prior addresses (for immediate preceding 7-year period). |  |
| 5. Date and location of birth.                              |  |

- C. Has any person serving as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

Yes \_\_\_\_\_ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- |   |   |
|---|---|
| 1. Name and address of the corporation.   | 4. Dates of corporate operation.  |
| 2. Full name, including alias and address of each person involved.  | 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case. |
| 3. State(s) in which the corporation: <ol style="list-style-type: none"> <li>(a) Was incorporated.</li> <li>(b) Has transacted business.</li> </ol> |   |

D. The fiscal year end adopted by the corporation is 12/31.

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY Avram Covaciu DATE 1-9-2006 BY \_\_\_\_\_ DATE \_\_\_\_\_

TITLE Director, President, Vice President, Secretary, Treasurer TITLE \_\_\_\_\_  
Avram Covaciu

BY \_\_\_\_\_ DATE \_\_\_\_\_ BY \_\_\_\_\_ DATE \_\_\_\_\_

TITLE \_\_\_\_\_ TITLE \_\_\_\_\_

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four incorporators, please attach remaining signatures on separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

CF:0001 - Non-Profit  
Rev: 9/00