

**ARTICLES OF INCORPORATION  
OF  
SHADOW RUN HOMEOWNERS ASSOCIATION**

Pursuant to that certain DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, ASSESSMENTS, CHARGES, SERVITUDE'S, LIENS, RESERVATIONS AND EASEMENTS FOR **SHADOW RUN**, dated 10 September, 1998, and recorded 21 October, 1998 at Recording Document Number 1-1284-012-037 in the office of the Maricopa County Recorder, as the same may be amended from time to time (the "Declaration"), and in compliance with the requirements of Arizona Revised Statutes Section 10-1002 et seq. (the "Act"), the undersigned, all of whom are eighteen (18) years or more of age, have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt the following Articles of Incorporation.

**ARTICLE I  
NAME**

The name of the corporation is the Shadow Run Homeowners Association (hereinafter, the "Association").

**ARTICLE II  
DEFINED TERMS**

Capitalized words and terms used herein shall be deemed to have the meanings set forth in the Declaration. "Shadow Run" as used herein to describe a place shall refer to the real property described in the Declaration.

**ARTICLE III  
KNOWN PLACE OF BUSINESS**

The known place of business and principal office of the Association shall initially be located at 2432 W. Peoria Ave., #1160, Phoenix, AZ 85029, or at such other address as the Board of Directors may from time to time determine.

**ARTICLE IV  
STATUTORY AGENT**

Thomas B. Brown, Sr., a bona fide resident of the State of Arizona for the last three (3) years, whose address is 2432 W. Peoria Ave., #1160, Phoenix, AZ 85029, is hereby appointed the initial statutory agent of the Association.

**ARTICLE V**  
**PURPOSE OF THE ASSOCIATION**

The primary purpose for the Association is to provide for the orderly and aesthetic development, maintenance, preservation and architectural control of Shadow Run to own, manage and maintain the various Common Areas within Shadow Run; and 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 and the Bylaws of the Association.

**ARTICLE VI**  
**LIMITATION OF PURPOSES**

The Association is not formed to provide profit to its Members. No part of the net earnings of the Association shall inure to the benefit of any Member (other than the indirect benefit from the acquisition, construction, management and maintenance of the Common Areas or by a rebate of excess Assessments).

**ARTICLE VII**  
**CHARACTER OF AFFAIRS**

The character of affairs which the Association initially intends actually to conduct in Arizona is to carry out the duties and responsibilities of the Association as set forth in the Declaration, including but not limited to the following: to exert architectural control over the construction and maintenance of improvements in Shadow Run; to provide for the operation and maintenance of the Common Areas in Shadow Run; and to levy and collect Assessments for the expenses of the Association.

**ARTICLE VIII**  
**MEMBERSHIPS AND VOTING**

Membership in the Association shall be limited to Owners of Lots and shall be divided into two classes, as designated in the Bylaws. The obligations, qualifications, and rights of and the voting procedures for Members shall be as set forth in the Bylaws. The Association shall have no stockholders and no capital stock shall be authorized or issued.

**ARTICLE IX**  
**BOARD OF DIRECTORS**

The control and management of the affairs of this Association shall be vested in a Board of Directors as specified in the Bylaws. Initially, Directors need not be Members; however, after the termination of the Class B Membership, all Directors must be Members of the

Association. The names and addresses of the persons who are to serve as the initial Directors until the first annual meeting of the Members or until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
Thomas B. Brown, Sr.	2432 W. Peoria Ave., #1160 Phoenix, AZ 85029
James F. Pate	2432 W. Peoria Ave., #1160 Phoenix, AZ 85029
Martha Dowd	2432 W. Peoria Ave., #1160 Phoenix, AZ 85029

The Board of Directors shall have power and authority to enact Bylaws and amendments thereto which are not inconsistent with the provisions hereof and not inconsistent with the Declaration.

## **ARTICLE X** **OFFICERS**

The Officers of the Association shall be elected by the Board of Directors as provided in the Bylaws.

## **ARTICLE XI** **AMENDMENTS**

Section 1. By Members. These Articles may be amended by the affirmative vote of seventy-five percent (75%) of the authorized votes of each class of Members of the Association, either in person or by proxy, at a meeting of the Members duly called and held for such purpose.

Section 2. Amendments Requested by Governmental Agency or Lending Institutions. Anything in the Articles to the contrary notwithstanding, the board shall have the right to amend all or any part of the Articles or the Bylaws of the Association to such an extent and with such language as may be requested by the Federal Housing Administration (“FHA”), the Veterans Administration (“VA”), the Federal Home Loan Mortgage Corporation (“FHLMC”), or the

Federal National Mortgage Corporation (“FNMA”) and to further amend the Articles or Bylaws to the extent required or requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency’s approval of the Articles and Bylaws or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot (s). In the event of an amendment to the Articles, articles of

amendment shall be executed, filed and published as provided under Arizona law. Until the class B Memberships are terminated, any amendment to either the Articles or bylaws which deletes, diminishes or alters the class B Membership rights or increases the Declarant’s obligations must be approved by the Declarant.

**ARTICLES XII**  
**DURATION AND DISSOLUTION**

The Association shall exist so long as the Declaration is in effect, which shall be for an initial period of twenty (20) years from the date the Declaration is recorded, and for successive extension periods of ten (10) years each. However, the Declaration may be terminated, and the Association dissolved, any time by the affirmative vote of seventy-five (75%) of the authorized votes of each class of Members, either in person or by proxy, at a meeting of the Members duly called and held for such purpose. Upon dissolution of the Association, its assets shall be distributed in accordance with the laws of the State of Arizona.

**ARTICLE XIII**  
**INCORPORATOR**

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Thomas B. Brown, Sr.	2432 W. Peoria Ave., #1160 Phoenix, AZ 85029

**ARTICLE XIV**  
**LIMITATION OF LIABILITY**

The Directors, Officers and committee members of the Association shall not be individually liable for the debts and liabilities of the Association. The private property of such individuals shall be exempt from the debts or liabilities of the Association. Except as prohibited by the Act, Directors, committee members and other persons serving on the Board or a committee in an advisory capacity shall have no personal liability to the Association or its Members for monetary damages for a breach of fiduciary duty.

**ARTICLE XV**

**FHA/VA APPROVAL**

If the Declaration and these Articles have been initially approved by the FHA or the VA in connection with any loan programs made available by FHA or VA and any loans have been made on property in Shadow Run which are insured or guaranteed by FHA or VA, then as long as there are any class B Memberships, the following actions will require the prior written approval of the FHA or VA as applicable, unless the need for such approval

has been waived by FHA or VA: (I) annexation of any additional real property, (ii) any merger or consolidation, (iii) encumbering any of the Common Areas, (iv) dedication of any of the Common Areas except as required by zoning stipulations or agreements with the City of Glendale effective prior to the date hereof, (v) dissolution of the Association, or (iv) amendment of these Articles or the bylaws.

\_\_SIGNATURE ON FILE\_\_\_\_\_  
Thomas B. Brown, Sr.,

Dated this 10<sup>th</sup> day of September, 1998.