

WHEN RECORDED RETURN TO:

THOMAS B. BROWN
REGAL HOMES INC.
2432 W. PEORIA AVE., SUITE 1160
PHOENIX, AZ 85029

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
ASSESSMENTS, CHARGES, SERVITUDE'S, LIENS, RESERVATIONS, AND
EASEMENTS FOR**

**SHADOW RUN
UNIT I**

This Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitude's, Liens, Reservations and Easements for Shadow Run is made this 10 day of September 1998.

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WITNESSETH

This Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitude's, Liens, Reservations and Easements for Shadow Run (the "Declaration") is made this 10th day of September and Recorded in the office of the Maricopa County Recorder as noted in the recording information which appears in the margin of this document by SECURITY TITLE AGENCY, AN ARIZONA CORPORATION, AS TRUSTEE'S UNDER TRUST NUMBER 5797, (hereinafter "Declarant"), with respect to Lots 1 through 120, and Tracts A & B of Shadow Run in book ____ of Maps, Page __ of the Official Records of Maricopa County, Arizona (the "Subdivision Plat").

WHEREAS this Declaration is in furtherance of a general plan for the subdivision, improvement and sale of the Covered Property and is established for the purpose of enhancing the value, desirability and attractiveness of the Covered Property and every part thereof;

WHEREAS the Declarant as the owner of all of the Covered Property is about to convey the Lots and Common Areas as shown on the Subdivision Plat and desires to subject the same to the Covenants, Conditions, Restrictions, Assessments, Charges, Servitude's, Liens, Reservations and Easements hereinafter set forth (collectively, the "Covenants") and to cause the Covenants to run with and be binding upon each of the Lots and the Common Areas and the owners thereof;

NOW, THEREFORE, the Declarant hereby made all conveyances of the Lots, the Common Areas and all real property which are now or hereafter become part of the Covered Property, whether or not so provided in said conveyance, subject to the Covenants and declares that by accepting deeds or easements or other grants or conveyances, to all or any portion of Covered Property, the owners thereof and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the Covenants (including but not limited to the obligation to pay the Assessments), except to the extent such persons are specifically excepted therefrom.

**ARTICLE I
DEFINITIONS**

Capitalized words, phrases or terms used in this Declaration shall have the meanings set forth in attached Exhibit "B".

**ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION**

All of the Covered Property is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration, as amended from time to time; provided, however, that property which is not part of a Lot and which is dedicated to the public or a governmental entity for public purposes shall not be subject to this Declaration and the Covenants herein contained while owned by the public or the governmental entity, although restrictions imposed pursuant to this Declaration upon the Owners and Residents concerning the use and maintenance of such public areas shall at all times apply to the Owners and Residents.

This Declaration shall run with all Lots and Common Areas for all purposes and shall be binding upon, and inure to, the benefit of the Association, all Owners and Residents and their successors in interest.

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ARTICLE III EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREAS

3.1 Every Owner shall have a right and easement of enjoyment in and to the Common Areas, and an undivided interest therein shall be appurtenant to, and shall pass with, the title to every Lot subject to the following provisions:

3.1.1 The right of association to charge Annual Assessments, Special Assessments and Maintenance Charges as hereinafter set forth;

3.1.2 The right of the association to suspend the right of the Owners and Residents to use such facilities and Common Areas for any period during which any Assessment against the pertinent Lot remains delinquent; for a period not to exceed sixty (60) days for any infraction of this Declaration or the Rules; and for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period;

3.1.3 The right of the association to mortgage or encumber all or part of the Common Areas or to dedicate 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 Association (provided, however, that no such mortgage, encumbrance, dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the authorized votes of each class of Members agreeing to such dedication transfer has been Recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities easements and rights of way which are intended to benefit the Covered Property and which do not have any substantial adverse affect on the use of enjoyment of the Common Areas by the Owners or Residents and to dedicate or transfer all or part of the Common Areas to the extent required by zoning stipulations or agreements with the City of Glendale effective prior to the date hereof or specified on the Subdivision Plat as the same may be amended from time to time); and

3.1.4 The right of the Association to regulate the use of the Common Areas through Rules and to prohibit access to portions of Common Areas which are not intended for use by the Owners or Residents.

3.2 Except as otherwise provided by this Declaration or the rules, any Owner may delegate the right of enjoyment in the Common Areas and facilities to Residents, guests or invitees.

ARTICLE IV PERMITTED USES AND RESTRICTIONS

4.1 Architectural Control. All of the Lots and Common Areas are subject to architectural control as established by the architectural Committee more particularly described in Article XI. No building, fence, wall or other structure, shall be erected, placed or altered on any of the Lots until Architectural Committee has approved the construction plans and specifications, a plan showing the location of the structure and the quality of workmanship and materials, harmony of

the external design with existing structures, and to location with respect to topography and finish grade elevation. All subsequent additions to, or changes or alternations in, any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of Lots shall be subject to the prior written approval of the Architectural committee. No changes or

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deviations in or from the plans and specifications once approved by the Architectural Committee shall be made without prior written approval of the Architectural Committee. The Committee's approval or disapproval as required in these Covenants shall be in writing. In the event the Committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related Covenants shall be deemed to have been fully complied with. The plans must also comply with the City of Glendale's architectural criteria as set forth in their letter of expectations for Shadow Run.

4.2 Land Use and Building Type. None of the Lots shall be used except for typical residential purposes and activities incidental thereto, such as family swimming pool. No building shall be erected, placed or permitted to remain on any of the Lots other than one detached Single Family dwelling not to exceed two (2) stories in height; provided, however, that temporary offices, trailer offices, tool sheds, lumber sheds, and/or sales offices may be maintained upon the Lots of Declarant or by any other building contractor for the purposes of erecting and selling dwellings on any of the Lots, but such temporary structures shall be removed at completion of the construction or sale by such contractor of all the dwellings within the Covered Property, whichever is later. No gainful occupation, profession, business, trade or manufacturing of any nature or description shall be carried on or transacted on any portion of the Covered Property, nor shall any part thereof be used as a hospital or sanitarium or other place for hire for the care or entertainment of persons suffering from any disease or disability, whatsoever.

4.3 Size. The floor area of each dwelling, exclusive of porches, garages, carport and patios shall not be less than 1150 square feet.

4.4 Building Locations. No building, detached garage or other permitted accessory building shall be located nearer to any boundary line of any of the Lots than the minimum set back distance required by the City of Glendale or prohibit the dedication or conveyance of portions of Lots for public utilities.

4.5 Animals. No animals, bird, fowl, poultry or livestock of any kind shall be raised, bred or kept on any of the Lots, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. No animal, bird, fowl, poultry, or livestock shall be allowed to make an unreasonable amount of noise or to become a nuisance. Upon the written request of any Owner or resident, the Board shall determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular animal, bird fowl, poultry, or livestock is a generally recognized house or yard pet, whether such a pet is a nuisance, or whether the number of animals or birds on any such property is reasonable. Any decision rendered by the Board shall be conclusive and binding and shall be enforceable in the same manner as other restrictions contained herein.

4.6 Temporary Occupancy and Temporary Buildings. No structure of a temporary character, trailer, basement, tent, shack, garage, bar or other outbuilding shall be used on any of the Lots any time as a residence either temporarily or permanently. Temporary buildings or

structures used during the reconstruction, maintenance or repair of a dwelling on any of the Lots shall be removed immediately after the completion of construction.

4.7 Garage and Refuse Disposal. None of the Lots shall be used or maintained for the accumulation of or as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All other equipment for the storage or disposal of such material shall be kept in a clean and sanitary conditions. No rubbish or debris of

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any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, and no odors shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No outdoor incinerators shall be kept or maintained on any lot.

4.8 Nuisances. No noxious or offensive activity shall be carried or permitted on upon any of the Lots, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, exterior lighting, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed upon any of the Covered Property. The Board, in its sole discretion, shall have the right to determine the existence of any such nuisance.

4.9 Diseases and Insects. No Owner shall permit any thing or condition to exist upon the Owner's Lot which shall induce, breed or harbor infections plant diseases or noxious insects.

4.10 Care of Properties.

4.10.1 Vacant Lots. All of the vacant Lots shall at all times be kept free of rubbish and litter, and weeds and grass shall be disked out or kept well mowed so as to present a tidy appearance.

4.10.2 Improved Properties. The yards and grounds of the Lots with improvements thereon shall be at all times kept in a neat and sightless condition and shall be cultivated and planted to any extent sufficient to maintain an appearance not out of keeping with that of typical improved properties within Shadow Run. Each Owner shall keep, or cause to be kept, all shrubs, trees, hedges, grass and plantings of every kind located upon the Lot (including but not limited to any non-street public right-of-way or easement area within the Lot) neatly trimmed, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (1) the Association assumes the responsibility in writing or has been given such responsibility pursuant to this Declaration; or (2) the City of Glendale assumes responsibility, for so long as the association or the City of Glendale assumes or has such responsibility. No building or structure on any of the Lots shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then such building or structure shall be immediately repaired or rebuilt or shall be demolished.

4.10.3 Absence. Each Owner shall arrange for the care of the Owner's Lot and improvements during any absence.

4.10.4. Front yard landscaping must be installed within 90 days of the close of escrow on an improved lot.

4.11 Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Lot, whether attached to a building or structure or otherwise, unless previously approved in writing by the architectural Committee. Satellite dishes shall not be installed except in compliance with Architectural Guidelines established

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by the Architectural Committee. Those Architectural Guidelines shall include but not limited to the following: (1) a easement area shown on the Subdivision Plat or hereafter required by any public utility; and (3) no portion of the satellite dish or related equipment shall be higher than six (6) feet above the finished ground floor level of the residence constructed on the Lot where the satellite dish is located.

4.12 Oil and Mining Operations. No oil, drilling oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any of the Lots, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any of the Lots. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any of the Lots.

4.13 Signs. No signs whatsoever (including, but not limited to, commercial, political and similar signs) which are visible from neighboring property shall be erected or maintained on any Lot except signs required by legal proceedings; one sign of not more than six (6) square feet advertising the property for sale or rent; and promotional and advertising signs of builders on any Lot which are approved from time to time by the Association as to number, size, colors, design, message content, location and type.

4.14 Design, Style and Height of Walls and Fences. No fence or wall be constructed upon any of the Lots unless its design and style are first approved by the Architectural Committee and the City of Glendale; provided, however, that in no event shall any fences or walls be constructed within the area of the front minimum set-back line exceed three (3) feet in height; and no fence or wall constructed on any side lot line or around the rear of any of the Lots shall exceed six (6) feet in height.

4.15 Party Walls and Fences. The rights and duties of Owners with respect to a wall or fence which is constructed along the boundary line of a Lot (“a party wall or fence”) shall be as follows:

(1) The Owners of contiguous Lots who have a party wall or fence shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

(2) In the event that any party wall or fence is damaged or destroyed through the act of an Owner or any of the Owner’s Tenants, agents, guests, or family members (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the party wall or party fence without cost to the Owner of the adjoining Lot. Any dispute over an Owner or any of their Owner’s Tenants, agents guests, or family members (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the party

wall or party fence without cost to the Owner of the adjoining Lot. Any dispute over an Owner's liability for such damage shall be resolved as provided in subsection (5) below, but any liability imposed upon an Owner hereunder shall not prevent the Owner from seeking indemnity therefor from the persons causing such damage.

(3) In the event any party wall or fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner or the adjoining Owner's Tenants, agents, guests or family

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members, it shall be the obligation of all Owners whose Lots adjoin such party wall or fence to rebuild and repair it at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots on the party wall or fence.

(4) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall or fence without the prior consent of all Owners of any interest therein.

(5) In the event of a dispute between Owners with respect to the maintenance, repair or rebuilding of a party wall or fence or the sharing of the cost hereof, such adjoining Owners shall submit the dispute to the board, the decision of which shall be binding.

(6) In the case of party walls or fences between Common areas and Lots, the Association shall be responsible for all maintenance, repair or reconstruction thereof, subject to the provisions of Sections 10.3 and 10.4 of this Declaration; provided, however, that each Owner of a Lot situated next to the Common Areas shall be responsible for repainting the portion of the party wall or fence which faces the Lot and does not face the Common Area.

(7) Each Owner shall permit the Owner of an adjacent Lot, the association, and their respective agents, employees or independent contractors, when so required, to enter upon the Owner's Lot for the purpose of repairing or maintaining a party wall or fence, and there is hereby created an easement for such purposes over each Lot; provided, however, that requests for entry to a Lot shall be made in advance and such entry shall be at a time reasonable convenient to the Owner of the Lot. In case of an emergency, such right of entry shall be immediate.

4.16 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee.

4.17 Overhead Encroachments and Sight Distance. No tree, or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet without the prior written approval of the Architectural Committee. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and eight (8) feet above the roadways,

shall be permitted to remain on any of the corner Lots within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines, extended. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such lines.

4.18 Trucks, Trailers, Campers and Boat. No motor vehicle classed by manufacturer rating as exceeding 3/4tons, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer, or other recreational equipment or vehicle may be

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parked, maintained, constructed, reconstructed or repaired on any Lot or on any street within Shadow Run as to be visible from neighboring property or visible from the Common Areas or streets.

4.19 Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired upon any Lot or street in Shadow Run, and no inoperable vehicle may be stored or parked on any such Lot or street, so as to be visible from neighboring property or to be visible from the Common Areas or streets; provided, however, that this action shall not apply to (1) emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with the construction of any improvement approved by the Architectural Committee; or (2) vehicles parked in garages on Lots so long as such vehicles are in good operating condition and appearance and are not under repair.

4.20 Parking. Vehicles of all Owners and Residents, and of their employees, guests and invitees, are to be kept in garages, carports or residential driveways of the Lot and other parking areas designated from time to time by the Association in connection with the development and sale of the Lots wherever and whenever such facilities re sufficient to accommodate the number of vehicles at a Lot; provided, however, that this action shall not be construed to permit the parking in the above described areas of any vehicle for which parking on or within Shadow Run is otherwise prohibited or the parking of any inoperable vehicle.

4.21 Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be placed or maintained on any Lot unless within the rear yard and concealed so as to not be visible from neighboring property.

4.22 Drainage Easement. No Owner or Resident shall at any time hereafter fill, block, or obstruct any drainage easements and drainage structures on any Lot, nor cause or suffer to be erected on any Lot any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure. Each Owner and Resident agrees to make and forever to repair and maintain all such drainage easements and drainage structures, making good nevertheless, at his or her own expense, all damage which may be caused to the drainage easements and structures an all damage to any structure on any of the Lots which may be caused, directly or indirectly, by his or her obstructing, blocking or filling any such drainage easements.

4.23 Tenants. The Dwelling Unit on a Lot shall not be let except to a Single Family Tenant and subject to the other provisions of this Declaration and the Rules.

4.24 Easements. As indicate upon the Subdivision Plat, easements are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No building or improvements shall be placed upon such easements, nor shall any interference be made with the free use of the same for the purposes intended.

4.25 Rules. In the event additional uses, activities, and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare or Owners or Residents, the board may enact, amend or repeal rules (The “Rules”) restricting or regulating the use, activity or facility at Shadow Run whether upon the Lots or the common Areas, provided, however, that the Rules shall not discriminate among Owners or among Residents and shall not be inconsistent with this Declaration, the articles or bylaws. Upon adoption, the rules shall have the same force and effect as if they were set

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forth in and were a part of this Declaration. The rules shall be intended, in the absolute discretion of the board, to enhance the preservation of the Common Areas for the safety and convenience of the users thereof, or otherwise to promote the best interests of the Members, Owners and Residents.

ARTICLE V ORGANIZATION OF ASSOCIATION

5.1 Formation of Association. The Association shall be a nonprofit Arizona corporation charged with the duties, and invested with the powers, prescribed by law and set forth in the articles, Bylaws and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration, unless this Declaration is also dully amended.

5.2 Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors (the “Board”) and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time.

5.3 Limitation of Liability. No member of the board or of any committee of the Association, no officer of the Association, and no manager or other employee of the association shall be personally liable to any Member, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the board, the manager, any representative or employee of the Association, or any committee, committee member, any representative or employee of the association, or any committee, committee member or officer of the Association; provided, however, the limitations set forth in this Section 5.3 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

ARTICLE VI MEMBERSHIPS AND VOTING

6.1 Owners of Lots. The Owners of each Lot within Shadow Run shall be a member of the Association; provided, however, that there shall be only one (1) Membership for each Lot and such Membership shall be shared by any joint Owners of, or Owners of an undivided interest in, the pertinent Lot. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of the Lot to which the Membership is attributable.

6.2 Classes of Members. The Association shall have two classes of voting Memberships:

6.2.1 Class A. Class A Memberships shall be all Memberships except those held by the Declarant. The Owners shall be entitled to one vote for each Class A Membership held by the Owner, subject to the authority of the board to suspend the voting rights for violations of this Declaration.

6.2.2 Class B. All Memberships held by the Declarant shall be Class B. Memberships. Except as otherwise provided in this Declaration, the Declarant shall be entitled to three (3) votes for each Class B. Membership owned. As of the date hereof, the Declarant holds one hundred twenty (120) Class B Memberships.

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Notwithstanding anything contained herein to the contrary, all Class B. Memberships shall cease and be converted to an equal number of Class A. Memberships (on the basis of the number of Lots owned by the Declarant) on the happening of the first of the following events:

- (a) One hundred and twenty (120) days after the date when the total number of votes for the Class A. Memberships equals the total number of votes for the Class B Memberships;
- (b) Fifteen (15) years after the date of the recording of this Declaration; or
- (c) When the Declarant notifies the Association in writing of its intent so to convert its Class B Membership.

6.3 Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Membership must be cast as a unit; fractional votes shall not be allowed. In the event that a Membership is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their votes or votes shall be cast, they shall lose their right to vote on the matter in questions. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed that he was acting with the authority and consent of all other Owners of the same Membership unless objection thereto is made to the Board, in writing at or prior to the time the vote is cast. In the event more than one vote is cast for a particular Membership, all such votes shall be deemed void.

6.4 Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the bylaws, and any rules or Architectural Guidelines of the Association, as the same may be amended from time to time.

6.5 Transfer of Membership. The rights and obligations of the Owner of a Membership in the Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon transfer of ownership to a Lot and then only to the transferee thereof. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record or such other legal process as is permitted by Arizona law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot shall automatically transfer the appurtenant Membership to the new Owner of the Lot.

6.6 Adjustment in votes of Class B Member. In the event that the Declarant hereafter amends this Declaration to exclude from Shadow Run any of the Lots currently shown in Exhibit A to this Declaration, then the number of Memberships deemed owned by the Declarant shall be reduced by the number of Memberships attributable to the area so excluded.

6.7 Voting. This Declaration shall govern voting by the Members and the authority of the Board to suspend voting rights for violations.

ARTICLE VII COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

7.1 Creation of Lien and Personal Obligation for Assessments. By acceptance of a Deed (whether or not it shall be so expressed in such Deed) each Owner is deemed to

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covenant and agree to pay to the association Annual Assessments established by this Article VII; Special Assessments for capital improvements or other extraordinary expenses or costs established by this Article VII; and Maintenance Charges to allow the Association to accomplish the purposes set forth in Article X. All such Assessments shall be established and collected as hereinafter provided and, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot against which they are made; shall be a continuing lien upon said Lot; and shall also be the personal obligation of the person who was the Owner of the Lot at the time when the Assessment fell due. Their personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them.

7.2 Annual Assessments. In each year, commencing with the year in which this Declaration is Recorded, the board shall levy an Annual Assessment. The amount of the annual Assessment shall be in the sole discretion of the Board but shall be determined with the objective of fulfilling the Association's obligations under this Declaration including but not limited to the establishment of replacement and maintenance reserves, and shall be fixed at a uniform rate per Lot. The period for which the annual Assessment is to be levied (the "Assessment Period") shall be the calendar year; provided, however, that the Board in its sole discretion from time to time may change the Assessment Period by Recording with the County Recorder of Maricopa County, Arizona, an instrument specifying the new Assessment Period. Annual Assessments may be collect on a monthly, quarterly or annual basis.

7.3 Special Assessments. In addition to the annual Assessments authorized above, the association may levy, in any Assessment Period, one or more Special Assessments applicable to that period only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common Areas, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses; provided, however, that any special Assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for such purpose. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes. Special Assessments may be collected as specified by the board unless otherwise determined by the resolution of the Members of the Association approving the Special Assessment.

7.4 Uniform Rate of Assessment: Exceptions. The amount of any Annual or Special Assessment against each Lot shall be fixed at a uniform rate per Membership except that the Owner of a Lot shall pay only 25% of the applicable Annual Assessment or Special Assessment until earlier of (1) the completion of a Dwelling Unit upon the Lot. For purposes of this Section,

a Dwelling Unit shall be deemed completed when, in the opinion of the board, the building is ready for occupancy. If the Owner of a Lot ceases to qualify for the reduced twenty-five percent (25%) rate during the period to which an Annual Assessment or Special "Assessment is attributable, then the assessment attributable to a Membership shall be prorated between the applicable rates on the basis of the number of days in the period that the Owner qualified for each rate.

7.5 Notice and Quorum for Any Action Regarding Assessments. Written notice of any meeting called for the purpose of taking any action authorized under this Article VII shall be sent to all Members no less than twenty (20) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes (exclusive of suspended voting rights) of each class of Membership shall constitute a quorum. If the required quorum is

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not present, another meeting may be called subject to the same notice requirement; provided, however, that the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the receding meeting.

7.6 Rules Regarding Billing and Collection Procedures: The Board will have the right to adopt Rules setting forth procedures for the purpose of making the assessments provided herein and for the billing and collection of the assessments, provided that said procedures are not inconsistent with the provisions hereof. The failure of the association to send a bill to a Member shall not relieve any Member of liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Member on the records of the Association, that the Assessment, or any installment thereof is, or will be due, and of the amount owing. Such notice may be given at any time prior to or after, delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Membership changes during an Assessment Period; rather, successor Owners of Lots shall be given credit for prepayments, on a prorated basis, made by prior Owners.

7.7 Collection Costs and Interest on Delinquent Assessments. Any Assessment or installment thereof not paid within fifteen (15) days of the due date shall be deemed delinquent and shall bear interest at the Default Rate, in addition to a flat ten dollar (\$10.00) administrative charge per late occurrence. The Board may also record a notice of delinquent assessment against any Lot as to which an assessment is delinquent and constitutes a lien and may establish a fee to reimburse the Association for the association's cost in Recording such notice, processing the delinquency and recording a notice of payment, which fee shall be treated as a collection cost of the Association secured by the assessment Lien.

7.8 Evidence of Payment of Assessments. Within a reasonable period of time after receipt of a written request, the association shall issue to a Member or, at such Member's request, any other person a written certificate stating (1) that all Annual Assessments, Special Assessments and Maintenance Charges (including interest, costs and fees, if any) have been paid with respect to any specified Lot as of the date of such certificate, or (2) if all assessments have not been paid, the amount of any Annual Assessments, Special Assessments, or Maintenance Charges (including interest, costs and attorney's fees, if any) due and payable as of such date. The association may make a reasonable charge of the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when

duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser or, or lender on, the Lot in question.

ARTICLE VIII

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND ASSESSMENT LIEN

8.1 Association as Enforcing Body. The Association, as the agent and representative of the Members shall have the exclusive right to enforce the provisions of this Declaration. However, if the Association shall fail or refuse to enforce this Declaration or any provision hereof for an unreasonable period of time after written request to do so, then any Member may enforce them on behalf of the Association, but not at the expense of the Association, by any appropriate action, whether in law or in equity.

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8.2 Association's Remedies to Enforce Payment. If any Member fails to pay any Assessments or installments when due, then, in addition to the remedies set forth above, the Association may enforce the payment by taking either or both of the following actions, concurrently or separately:

8.2.1 Bring an action at law and recover judgment against the Member personally obligated to pay the annual Assessments, Special Assessments or Maintenance Charges; or

8.2.2 Foreclose the Assessment Lien against the Lot in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgages (including the right to recover any deficiency), and the Lot may be redeemed after foreclosure sale as provided by law.

By exercising either remedy, the Association does not prejudice or waive its right to exercise the other remedy or any other remedy available at law or in equity.

8.3 Subordination of Assessment Lien. The Assessment Lien provided for herein shall be subordinate to any first mortgage lien held by, or deed of trust of which the beneficiary is, a lender who has lent funds with the Lot as security or by the lender's successors or assigns, and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot. Sale or transfer of any Lot shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a mortgage or deed of trust to which the Assessment Lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or the guarantee taking by deed in lieu of foreclosure, shall take the Lot free of the Assessment Lien for all Annual Assessments, Special Assessments and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure, the Assessment Lien immediately shall become and remain superior to any and all other charges, liens or encumbrances (except liens for taxes or other public charges which by applicable law are expressly made superior) and such mortgage or deed of trust foreclosure sale purchaser or grantee shall take subject to all Annual Assessments, Special Assessments and Maintenance Charges and the assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

8.4 Costs to be Borne by Member in Connection with Enforcement of Assessments.

In any action taken pursuant to 8.2 the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount, the Annual Assessments, Special Assessments and Maintenance Charges together with interest and the Association's collection costs and attorney's fees.

**ARTICLE IX
USE OF FUNDS; BORROWING POWER**

9.1 Purposes for Which Association's Funds May be Used. The Association shall apply all funds and property collected and received by it for the common good and benefit of the Covered Property and the Members, Owners and Residents by devoting said funds and property, among other things, to the acquisition, construction, alternation, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies and

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systems, within or without Shadow Run which may be necessary desirable or beneficial to the general common interests of its members, Owners, or Residents. The following are some, but not all, of the areas in which the association may seek to aid, promote and provide for such common benefit: social interaction among Members, Owners and Residents, maintenance of landscaping on Common Areas and public right-of-way and drainage areas for or within Shadow Run, recreation, liability insurance, communications, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association. The Association also may expend its funds for any purposes which any municipality may expend its funds under the laws of the State of Arizona or such municipality's charter.

9.2 Borrowing Power. The Association may borrow money in such amounts, as such rates, upon such terms, and security, and for such period of time as is necessary or appropriate.

9.3 Association's Rights in Spending Funds. The Association shall not be obligated to spend in any year all the sums received by it in each year (whether by way of Assessments, fees or otherwise) and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the annual Assessment in the succeeding year if a surplus exists from a prior year and the association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the association and the accomplishment of its purposes.

9.4 Insurance. The Association shall maintain insurance against liability incurred as a result of death or injury to persons or damage to property on the common Areas. The Board, in its discretion, may choose to maintain any additional insurance it deems necessary.

**ARTICLE X
MAINTENANCE**

10.1 Common Areas and Public Right of Way. The Association, or its duly delegated representative, shall maintain and otherwise manage all Common Areas, including, but not limited to, any landscaping, walkways, paths, parking areas, drives, or recreational facilities; provided, however, the association shall not be responsible for providing or maintaining the landscaping or structures on any Common Areas which are part of Lots unless (1) such landscaping or structures are available for use by all Owners and Residents or are within easements intended for the general benefit of the Covered property and (2)

the Association assumes in writing the responsibility for such maintenance or such responsibility is set forth in a Recorded instrument as hereinafter provided. All landscaping in the common Areas shall be maintained according to landscape plans approved by the City of Glendale. The Association shall also maintain any landscaping and other improvements not on Lots which are within the exterior boundaries of the Covered Property, and which are intended for the general benefit of its Owners and Residents except that unless the Association so elects, it shall not maintain areas which the City of Glendale or other governmental entity is maintaining or are to be maintained by the Owners of a Lot pursuant to this Declaration. Specific areas to be maintained by the Association may be identified on the subdivision Plat or in the deed to transferee of a Lot, but the failure to so identify such areas shall not affect the Association's rights to responsibilities with respect to such Common Areas and other areas intended for the general benefit of the covered Property. In the event that the Board is authorized to determine whether or not Owners of certain Lots will be responsible for maintenance of certain Common Areas or public right-of-way areas, the Board shall have the sole

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discretion to determine whether or not it would be in the best interests of the Members, Owners and Residents of Shadow Run for the Association or an individual Owner to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the board. The Board may cause the Association to contract with others for the performance of the maintenance and other obligations of the Association under this Article and, in order to promote uniformity and harmony of appearance, the Board may also cause the Association to contract to provide maintenance services to Owners of Lots having such responsibilities in exchange for the payment of such fees as the Association and Owner may agree upon.

10.2 Standard of Care. The Board shall use a reasonably high standard of care in providing the repair, management, and maintenance described herein so that Shadow Run will reflect a high pride of ownership. In this connection the Association may, in the discretion of the Board:

10.2.1 Replace injured and diseased trees and other vegetation in any common Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water or soil or for aesthetic purposes;

10.2.2 Place and maintain upon any Common Area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof;

10.2.3 Construct, install, reconstruct, repair, replace or refinish any recreational facility or other improvement or portion thereof upon the Common Areas; and

10.2.4 Do all such other and further acts which the Board deems necessary to preserve and protect the Common Area and the beauty thereof, in accordance with the general purposes specified in this Declaration.

The Board shall be the sole judge as to the appropriate maintenance of all Common areas and other properties maintained by the Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

10.3 Assessment of certain Costs of Maintenance and Repair of Common Areas and Public Areas. In the event that the need for maintenance or repair of Common Areas or other improvements or areas maintained by the Association its caused through the willful or negligent

act of any Member, Owner, Resident, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessments to which Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien. Any charges or fee to be paid by the Owner of a Lot pursuant to Section 10.1 in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessments and shall be secured by the Assessment Lien.

10.4 Improper Maintenance and Use of Lots. In the event any portion of any Lot is so maintained as to present a public or private nuisance or to substantially detract from the appearance or quality of the surrounding Lots or other areas of the covered Property which are substantially affected hereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration, or in the event the Owner or Resident of any Lot is failing to perform any of its obligations under this Declaration, the Rules or the Architectural Guidelines, the Board may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the Owner and Resident of said Lot that unless corrective action is taken

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within fourteen (14) days, the board may cause such action to be taken at said Owner's cost. If at the expiration of said fourteen (14) day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to, and become a part of, the assessments to which the Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien.

ARTICLE XI ARCHITECTURAL COMMITTEE

11.1 Establishment. The Board shall establish a committee to perform the functions of the Architectural Committee set forth in this Declaration and shall adopt the procedural rules and regulations for the performance of such duties by the Architectural Committee, including procedures for the preparation, submission and determination of the application for any approvals required by this Declaration. From and after the termination of the Class B Memberships in the association as provided in the Bylaws, the Architectural Committee shall consist of three (3) regular members and one or more alternate members as the board may designate. All regular members and alternate members shall be appointed by the Board. The appointees need not be Architects, Members, Owners or Residents and need not possess any special qualifications of any type. The Architectural Committee shall hold regular meetings. A quorum for such meeting shall consist of a quorum of the regular members of the committee, and the concurrence of a majority of its regular members shall be necessary for any decision of the Architectural Committee; provided, however, that one or more alternate members may participate at any meeting at which there is not a quorum of regular members present, and the alternate members' presence may constitute a quorum, in which case the alternate members shall have all of the authority of regular members which so participating. The Architectural Committee shall promulgate general architectural and landscaping guidelines for the Cover Property ("Architectural Guidelines") to be used in rendering its decisions. Subject to the provisions of Section 11.2, the decision of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration.

11.2 Appeal. Any Member, Owner or Resident aggrieved by a decision of the Architectural Committee may appeal the decision to the Committee in accordance with procedures to be

established by the Committee. Such procedures would include the requirement that the appellant has modified the requested action or has new information which would in the Committee's opinion warrant a reconsideration. If the Committee fails to allow an appeal or if the Committee, after appeal, again rules in a manner aggrieving the appellant, the decision of the Committee is final.

11.3 Fee. The Board may establish a reasonable processing fee to defer the costs of the Association in considering any requests for approvals submitted to it or any appeals, which fee shall be paid at the time the request is submitted.

11.4 Inspections. During reasonable hours and upon reasonable notice to the Owner or Resident of a Lot, any member of the Architectural Committee, any member of the board, or any authorized representative of either of them, shall have the right to enter upon and inspect any lot and the improvements thereon, except of the interior portions of any completed residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been, or are being, complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

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11.5 Limited Liability of Committee. Approval by the Committee shall relate only to the conformity of plans and specifications to the Architectural guidelines, and such plans, drawings, and specifications are not approved for engineering design or architectural competence. By approving such plans, drawings, and specifications, the Architectural Committee does not assume liability or responsibility therefor, or for any defect in any structure constructed from such plans, drawings and specifications. Neither the members of the Board nor the members of the Architectural Committee shall have any personal responsibility to any person with regard to any actions taken by them in their capacity as such members.

ARTICLE XII RIGHTS AND POWERS OF ASSOCIATION

12.1 Association's Rights and Powers as Set Forth in Articles and Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights and powers of the Association set forth in its Articles and Bylaws. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Declaration. After incorporation of the Association, a copy of the Articles and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours.

12.2 Association's Rights of Enforcement of This and Other Instruments. The Association, as the agent and representative of the Owners, shall have the right to enforce the Covenants set forth in this Declaration and/or any and all covenants, restrictions, reservations, charges, servitude's, assessments, conditions, liens or easements provided for in any contract, deed, declaration, or other instrument which (1) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (2) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association.

12.3 Contracts with Others for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with any other person or entity, and such contracts or transactions shall not be invalidated or voidable by the fact that one or more directors or officers of the Association or members of any committee is employed by, or otherwise connected with any such person or entity, provided, however, that such interest shall first be disclosed or known to the other directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such director, officer or committee member with such an interest may be counted in determining the existence of a quorum at any meeting at which the Board or committee of shall consider such contract or transaction, but shall not vote on such contract or transaction.

12.4 Changes of Use of Association Land and Procedures Therefor. Upon (1) adoption of a resolution by the board stating that in the Board's opinion the Association's interest in any Common Areas is no longer in the best interests of the Members, Owners and Residents and (2) the approval of such resolution by a majority of the votes of the members which are voting in person or by proxy at a meeting duly called for such purpose, the Board shall have the power and right to change the use thereof (and in

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connection therewith, construct, reconstruct, alter or change the improvements thereon in any manner deemed necessary by the board to accommodate the new use), provided such new use shall be for the benefit of the Members, Owners and Residents and shall be consistent with any deed restrictions (or zoning regulations) restricting or limiting the use of the Association Land.

ARTICLE XIII TERMS, AMENDMENTS; TERMINATION

13.1 Terms. This Declaration, as amended from time to time, shall be effective upon the date of its Recording; shall continue in full force and effect for a term of thirty (30) years from the date of its Recording; and shall be automatically extended for successive periods of ten (10) years each.

13.2 Method of Amendment or Termination. This Declaration may be amended or terminated any any time if seventy-five percent (75%) of the authorized votes of each class of Members shall be cast in favor of such amendment or termination either in person or by proxy at an election duly led for such purpose; provided, however that the provisions in Article X regarding maintenance of Common Areas may be amended only with the prior written approval of the City of Glendale.

13.3 Termination. If the necessary votes are obtained, the board shall cause to be Recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged, certifying that at an election duly called and held pursuant to the Articles and bylaws the requisite percentage of members voted affirmatively for the termination. Thereupon this Declaration and these Covenants shall have no further force and effect, and the Association shall be dissolved pursuant to the articles and the laws of the State of Arizona.

13.4 Amendment. If the necessary votes are obtained, this Declaration may be amended by Recording with the County Recorder of Maricopa County, Arizona, a Certificate of

Amendment, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary, with their signatures acknowledged. The Certificate of Amendment shall set forth in full the amendment adopted and shall certify that at an election duly called and held pursuant to the Articles and Bylaws the requisite percentage of Members voted affirmatively for the adoption of the amendment.

ARTICLE XIV MISCELLANEOUS

14.1 Interpretation of the Covenants. Except for judicial construction the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the Covenants and provisions hereof.

14.2 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

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14.3 Rule Against Perpetuities. If any interest purported to be created by this Declaration would otherwise be unlawful, void or voidable under the rule against perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest. The "lives in being" for computing the period of perpetuities shall be (1) those which would be used in determining the validity of the challenged interest, plus (2) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

14.4 Other Rules. In addition, to the right to adopt Rules on the matters expressly mentioned elsewhere in this Declaration, the Association shall have the right to adopt Rules with respect to all other aspects of the Association's right, activities and duties, provided said Rules are uniformly applied and not inconsistent with the provisions of this Declaration or the Articles or Bylaws.

14.5 References to the Covenants in Deeds. Deeds to and instruments affecting any Lot or any part of the Covered Property may contain the Covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any Deed or instrument each and all of the Covenants shall be binding upon the grantee, Owner, or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

14.6 Gender and Number. Wherever the context of this declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

14.7 Survival. This Declaration shall be binding upon and inure to the benefit of the successors and assigns of the Declarant; provided, however, that Declarant's rights and powers

may only be assigned by a written recorded instrument expressly assigning such rights and powers.

14.8 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify, or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

14.9 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Declaration or resolution of the board to be given to any Owner or Resident then, unless otherwise specified herein or in the resolution of the boards, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in any newspaper in general circulation within the City of Glendale. This Action shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

14.10 FHA/VA Approval. If this Declaration has 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 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 proper written approval of the FHA or the VA, as applicable, unless the need for such approval has been

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waived by FHA or VA: (1) dedications of any of the Common Areas (except where such dedication is required as of the date hereof to the City of Glendale); (2) mortgaging of any of the Common Areas; (3) annexation of any additional real property; and (4) amendment of this Declaration.

14.11 Exhibits. The attached Exhibits "A" and "B" are incorporated herein by reference.

WHEREFORE, the Declarant has caused this Declaration to be executed as of the date first above written.

Security Title Agency, an Arizona Corporation as
Trustee under Trust Agreement Number
[TR5797](#)

By Marion W Hakes SIGNATURE ON FILE
Senior Trust Officer

STATE OF ARIZONA)
)ss
County of Maricopa)

This instrument was acknowledged before me, this 10th day of September 1998,
by Marion A. Hakes, as Senior Trust Officer of SECURITY TITLE AGENCY, an Arizona
corporation, for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Patricia L. Gale nee Bauer
SIGNATURE ON FILE
Notary Public

SEAL ON FILE

My commission expires:

**EXHIBIT A
THE COVERED PROPERTY**

Lots 1 through 120, inclusive and Tracts A & B of Shadow Run according to a subdivision plat recorded in Book____, of Maps Page ____ of the Official Records of Maricopa County, Arizona.

EXHIBIT "B"
DEFINITIONS

Annual Assessment shall mean the charge levied and assessed each year against each Lot and Owner or pursuant to Section 7.1.

Architectural Committee shall mean the Committee of the association to be created pursuant to Article XI.

Architectural Guidelines shall mean the general architectural and landscaping guidelines established from time to time by the Architectural Committee.

Articles shall mean the Articles of Incorporation of the Association as the same may from time to time be amended.

Assessments shall include Annual Assessments, Special Assessments and/or Maintenance Charges.

Assessment Lien shall mean the lien created, imposed and enforced by Articles VII and VIII.

Assessment Period shall mean the term set forth in Section 7.2

Association shall mean The Shadow Run Homeowners' Association, an Arizona nonprofit corporation, organized to administer and enforce the Covenants and to exercise the rights, powers and duties set forth in this Declaration, and its successors and assigns.

Board shall mean the Board of Directors of the Association.

Bylaws shall mean the Bylaws of the Association as the same may from time to time be amended or supplemented.

Common Areas shall mean Tracts A & B as shown on the Subdivision Plat for Shadow Run.

Covenants shall mean the covenants, conditions, restrictions, assessments, charges, servitude's, liens, reservations and easements set forth herein.

Covered Property shall mean all of the real property situated in Maricopa County, Arizona, and more particularly described on Exhibit "A" attached hereto and the development to be completed thereon.

Declarant shall mean Security Title Agency, an Arizona corporation and its successors and assigns, as Trustee's under Trust Number 5797.

Deed shall mean a deed or other instrument conveying the fee simple title to a "Lot".

Default Rate shall mean a rate of interest equal to two percentage points above the prime rate announced from time to time by Bank of America, Arizona or the rate 15% per annum, whichever shall be greater.

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Dwelling Unit shall mean any building situated upon a Lot designed and intended for use and occupancy as a residence by a Single Family.

Lot shall mean any area of real property within the Covered Property which is designated as a lot on the Subdivision Plat. Improved lot shall mean any lot on which a residence has been constructed and completed.

Maintenance Charges shall mean any and all costs assessed pursuant to Sections 10.1 and 10.2.

Master Development Plan shall mean the Shadow Run Development Plan approved by the City of GLENDALE or other applicable governmental agencies as the same may be from time to time amended.

Member shall mean any person holding a Membership in the Association pursuant to the Bylaws and this Declaration.

Membership shall mean a Membership in the Association and the rights granted to the Owners pursuant to the Articles, the Bylaws and Article VI of the Declaration to participate in the Association.

Owner shall mean (when so capitalized) the record holder of legal title to the fee simple interest in any Lot, including contract sellers, but excluding others who hold such title merely as security. In the event that the fee simple title to a Lot is vested of record in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et. seq., legal title shall be deemed to be in the Trustor.

Recording shall mean placing an instrument of public record in the Office of the County Recorder of Maricopa County, Arizona and Recorded shall mean having been so placed of public record.

Resident shall mean:

- (1) Each buyer under a contract of sale as defined in A.R.S. 33-741 covering any of the Lots, regardless of where the contract is Recorded, provided such buyer is actually residing at such Lot.
- (2) Each Tenant actually residing at one of the Lots; and
- (3) A Member of the immediate family of each Owner, buyer and Tenant referred to above which is actually living in the same household with such Owner, Buyer or Tenant.

Subject to such Rules as the Association may hereafter specify (including the imposition of special non-resident fees for use of the common Areas if the Association shall so direct), the term "Resident" also shall include the guests or invitees of any such Owner, Buyer or Tenant, if and to the extent the board in its absolute discretion by resolution so directs.

Rules shall mean the rules adopted from time to time by the Board pursuant to the Declaration.

Single Family shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption or a group of not more than three (3) persons not all so related, who maintain a common household in a Dwelling Unit.

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Special Assessments shall mean any assessment levied and assessed pursuant to Section 7.3.

Subdivision Plat shall mean the subdivision plat recorded in the Official Records of Maricopa County, Arizona as indicated on page 1 and on Exhibit "A" of this Declaration.

Tenant shall mean any person who lawfully occupies a residence located within Shadow Run under a valid rental or leasing arrangement.

Visible From Neighboring Property shall mean, with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing at ground level on any part of such neighboring property.

