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APPR. 7.2 K... 6.1
TERM _____
DATE 12-12-88

STATE OF ARIZONA
ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
SERENA PEAK AT THE FOOTHILLS
NEIGHBORHOOD ASSOCIATION

205345-0

Pursuant to the provisions of A.R.S. § 10-1035, the undersigned corporation adopts the following articles of amendment to its articles of incorporation:

FIRST: The name of the corporation is Serena Peak at The Foothills Neighborhood Association.

SECOND: Article 1 is hereby amended in its entirety:

1. Name: The name of the corporation shall be Shadow Rock at The Foothills Association (hereinafter referred to as the "Association").

THIRD: The amendment to the articles of incorporation was adopted on November 18, 1988.

FOURTH: The amendment was duly adopted by an act of the board of directors, there being no members of the corporation, pursuant to A.R.S. § 10-1034.

DATED: November 18, 1988.

SERENA PEAK AT THE FOOTHILLS
NEIGHBORHOOD ASSOCIATION

By [Signature]
William Dougherty, President

By [Signature]
Sheryl Vendl, Secretary



DEC 15 1988

ARIZONA CORPORATION COMMISSION

DATE: 12-12-88

TO WHOM IT MAY CONCERN:

THIS LETTER CONCERNS THE DOCUMENT CHECKED BELOW, WHICH HAS BEEN APPROVED FOR FILING WITH THE CORPORATIONS DIVISION OF THE ARIZONA CORPORATION, COMMISSION.

- AMENDMENT
- MERGER
- NEW AUTHORITY
- INTENT TO DISSOLVE (NONPROFIT)

This document must be published for three (3) consecutive publications, within sixty (60) days of the filing date--in a newspaper of general circulation in the Arizona County of the known place of business of the corporation. The Affidavit of Publication must then be returned to this office within thirty (30) days of the last day of publication.

- RESTATEMENT OF INFORMATION
- INTENT TO DISSOLVE (PROFIT)

This document must be published for three (3) consecutive publications within thirty (30) days of the filing date in a newspaper of general circulation in the Arizona County of the known place of business. The Affidavit of Publication must then be returned to this office within fifteen (15) days for the INTENT TO DISSOLVE and thirty (30) days for the RESTATEMENT OF INFORMATION, of the last day of publication.

If you have questions, you may contact us at our Phoenix Office. Hours are 8:00 a.m. - 5:00 p.m., weekdays, (602) ~~255~~ 3135.
542

Very truly yours,

G. J. Krieder
Examiner Technician
Corporations Division
Arizona Corporation Commission

RECORDED IN
MARICOPA COUNTY

AKA.
(Shadow Rock)

ARTICLES OF INCORPORATION
OF
SERENA PEAK AT THE
FOOTHILLS NEIGHBORHOOD ASSOCIATION

MAY 20 4 05 PM '88

APPR. John Hancock
DATE 5-16-88 FILED
DATE _____ TIME _____

205345

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, voluntarily associated ourselves together at a meeting held at 4820 South Mill Avenue, Tempe, Arizona 85282, at 10:00 o'clock a.m. on May 17, 1988, for the purpose of forming a private, non-profit corporation, the object of which is not pecuniary profit, having the purpose hereinafter set out, under and pursuant to Chapter 5, Title 10 of the Arizona Revised Statutes, and for the further purpose of electing directors for said corporation. We do hereby adopt the following Articles of Incorporation:

1. Name: The name of the corporation shall be Serena Peak at The Foothills Neighborhood Association (hereinafter referred to as the "Association").

2. Purpose: The Association is organized and shall be operated for the purposes set forth for the "Association" in that certain Declaration of Covenants, Conditions and Restrictions for Serena Peak at The Foothills (the "Declaration") recorded (or hereafter to be recorded) in the office of the Maricopa County, Arizona Recorder, including, but not limited to, the acquisition, construction, management, maintenance and care of association property, provided, however, that the foregoing shall not be construed as a limitation on the activities and businesses in which the Association may ultimately engage. (Except as expressly set forth herein, capitalized terms shall have the meanings assigned to them in the Declaration.)

3. Business: The Association initially intends to engage in the following activities (which shall be construed as the character of the non-profit business which the Association initially intends to conduct in the State of Arizona):

a. Provide for the acquisition, construction, management, maintenance and care of association property; and

b. Perform all matters to be performed by the "Association," as that term is used in the Declaration.

1 Such initial intention shall in no manner whatever limit the
2 character of the activities and businesses in which the
Association may ultimately engage.

3 4. Authorized Stock: The Association shall have no
4 capital stock.

5 5. Statutory Agent: The name and address of the
6 initial statutory agent of the Association is C. Randall Bain,
7 222 North Central Avenue, P. O. Box 400, Phoenix, Arizona 85001.

8 6. Known Place of Business. The known place of
9 business of the Association shall be 4820 South Mill Avenue,
10 Tempe, Arizona 85282, but different and other offices and
11 places for conducting business, both within and without the
12 State of Arizona, may be established from time to time by the
13 Board.

14 7. Board of Directors; Annual Meetings of Members:
15 The business and affairs of the Association shall be conducted
16 by a Board of Directors (herein referred to as the "Board").
17 The annual meetings of the Members of the Association shall be
18 held on the third Tuesday of March in each year, commencing
19 with Tuesday, March 21, 1989, or such other time as the Board
20 shall designate. The following three persons, elected by the
21 incorporators at a meeting held on May 17, 1988, at Tempe,
22 Arizona, shall constitute the Board and shall serve in such
23 capacity until their successors are elected and qualified:

24 Bill Dougherty
25 4820 South Mill Avenue
26 Tempe, Arizona 85282

Jerry Schulz
4820 South Mill Avenue
Tempe, Arizona 85282

Sheryl Vendl
4820 South Mill Avenue
Tempe, Arizona 85282

21 Otherwise, the number of persons to serve on the Board shall be
22 fixed by the Bylaws but in no event shall it be less than three
23 or more than seven; further, each member of the Board shall be
24 elected for such term as shall be fixed by the Bylaws, provid-
25 ed, however, that in no event shall any change in the length of
26 such term effected by an amendment to the Bylaws be applied so
as to shorten the term being served by any member of the Board
at the time such amendment is adopted. No person shall be
eligible for election as a director who is not at the time of
election a Member of the Association, except such persons as

1 may be designated by the Declarant or by a corporate,
2 partnership or other non-individual Owner. If, after
3 election: (a) any director except for a director designated by
4 the Declarant or by a corporate, partnership or other
5 non-individual Owner ceases to be a Member, he or she shall
6 thereupon cease to be a director and his or her office shall
7 become vacant; or (b) a corporation, partnership or other
8 non-individual entity ceases to be a Member, any director
9 serving by virtue of having been designated for election by
10 such corporation, partnership or other non-individual entity
11 shall thereupon cease to be a director and his or her office
12 shall become vacant.

13
14 8. Quorum: A quorum at a meeting of the Board shall
15 consist of one-half (1/2) of the number of the directors then
16 serving (except that if three (3) directors are then serving, a
17 quorum shall be two (2), and if one (1) director is then serv-
18 ing, a quorum shall be one (1)). Except as may otherwise be
19 provided by applicable law or by the Declaration (and, in
20 particular, except with respect to the imposition of Special
21 Assessments or certain increases in the Maximum Annual
22 Assessment with respect to which a quorum at a meeting of
23 Members is to be determined as provided in the Declaration), a
24 quorum at a meeting of Members shall consist of Members holding
25 ten percent (10%) of the votes in each class of Members
26 (whether represented in person or by valid proxy).

14 9. Incorporators: The names and addresses of the
15 incorporators of the Association are:

16 Bill Dougherty
17 4820 South Mill Avenue
18 Tempe, Arizona 85282

18 Jerry Schulz
19 4820 South Mill Avenue
20 Tempe, Arizona 85282

20 10. Net Earnings: No part of the net earnings of the
21 Association shall inure (other than by acquiring, constructing
22 or providing management, maintenance and care of association
23 property, and other than by a rebate to Members of excess
24 membership dues, fees and assessments (and not net earnings))
25 to the benefit of or be distributable to any Member, director
26 or officer of the Association, or to any private individual,
except that reasonable compensation may be paid for services
rendered to or for the Association and other payments and dis-
bursements may be made in furtherance of one or more of its
purposes. Upon the dissolution of the Association, the assets
of the Association, whether real or personal, after rebate to
Members of excess membership dues, fees and assessments (and

1 not net earnings), shall be dedicated to an appropriate public
2 agency or utility to be devoted to purposes as nearly as is
3 practicable the same as those to which they were required to be
4 devoted by the Association. In the event that such dedication
5 is refused acceptance, such assets shall be granted, conveyed
6 and assigned to any non-profit corporation, association, trust
7 or other organization to be devoted to purposes as nearly as is
8 practicable the same as those to which they were required to be
9 devoted by the Association.

10 11. Members: The Members of the Association and
11 their voting rights shall be determined in the manner set forth
12 in the Declaration.

13 12. Amendments: The Articles and Bylaws may only be
14 amended by following the procedure hereinafter set out and by
15 complying, to the extent applicable, with the Declaration. The
16 Board shall adopt a resolution setting forth the proposed
17 amendment and directing that it be submitted to a vote at a
18 meeting of Members, which may be either an annual or a special
19 meeting, and if approved by Members holding (either personally
20 or by valid proxy) the Applicable Percentage (defined below) of
21 the votes eligible to be cast on the amendment (including vote
22 otherwise eligible to be cast but not represented personally or
23 by valid proxy at such meeting), such amendment shall have been
24 adopted, provided, however, that a copy of any such proposed
25 amendment or a summary of the changes to be effected shall have
26 been given to each Member in good standing at least ten (10)
days prior to said meeting of the Members. For purposes here-
of, the "Applicable Percentage" shall mean, in the case of an
amendment to the Articles, sixty-seven percent (67%), and in
the case of an amendment to the Bylaws, fifty-one percent
(51%). Any number of amendments may be submitted and voted
upon at any one meeting. Notwithstanding the foregoing, so
long as the Class "B" membership is in existence, the following
actions shall require the prior approval of the Federal Housing
Administration and the Veterans Administration: (a) amendment
of these Articles or the Bylaws; (b) dissolution of the
Association; (c) merger or consolidation of the Association
with any other entity; (d) dedication by the Association of any
or all of the Common Area; and (e) annexation of any additional
properties to the Property.

22 13. Private Property: Private property of the
23 incorporators, Members, directors and officers of the
24 Association shall be forever exempt from all corporate debts of
25 any kind whatsoever, provided, however, that nothing contained
26 in this Article shall limit the liability of Members' property
for payment of Assessments levied by the Association.

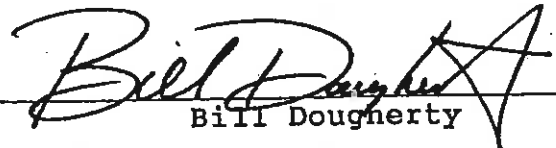
1 14. Fiscal Year: The fiscal year of the Association
2 shall run from January 1 through December 31 of each year.

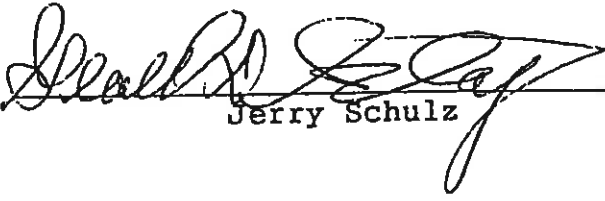
3 15. Indemnification of Officers, Directors, Employees
4 and Agents: Subject to the further provisions hereof, the
5 Association shall indemnify any and all of its existing or
6 former directors, officers, employees and agents against all
7 expenses incurred by them and each of them, including but not
8 limited to, legal fees, judgments, penalties and amounts paid
9 in settlement in any legal action brought or threatened against
10 any of them for or on account of any action or omission alleged
11 to have been committed while acting within the scope of his or
12 her service as a director, officer, employee or agent of the
13 Association, whether or not any action is or has been filed
14 against them and whether or not any settlement or compromise is
15 approved by a court. Indemnification shall be made by the
16 Association whether the legal action brought or threatened is
17 by or in the right of the Association or by any other person.
18 Whenever any existing or former director, officer, employee or
19 agent shall report to the president of the Association or the
20 chairman of the board that he or she has incurred or may incur
21 expenses, including, but not limited to, legal fees, judgments,
22 penalties and amounts paid in settlement or compromise in a
23 legal action brought or threatened against him or her for or on
24 account of any action or omission alleged to have been commit-
25 ted by him or her while acting within the scope of his or her
26 service as a director, officer, employee or agent of the
Association, the Board shall, at its next regular meeting or at
a special meeting held within a reasonable time thereafter,
determine in good faith whether, in regard to the matter in-
volved in the action or contemplated action, such person acted,
failed to act or refused to act willfully or with gross negli-
gence or with fraudulent or criminal intent. If the Board
determines in good faith that such person did not act, fail to
act or refuse to act willfully or with gross negligence or with
fraudulent or criminal intent in regard to the matter involved
in the action or contemplated action, indemnification shall be
mandatory and shall be automatically extended as specified
herein, provided, however, that the Association shall have the
right to refuse indemnification in any instance in which the
person to whom indemnification would otherwise have been ap-
plicable shall have unreasonably refused to permit the
Association, at its own expense and through counsel of its
choosing, to defend him or her in the action. The indemnifica-
tion provided by this Article 15 is not exclusive of any other
rights to indemnification provided by Section 10-1005 of
Arizona Revised Statutes (or the corresponding provision of any
future Arizona Nonprofit Corporation Act) or otherwise provided
by law.

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16. Director Liability: A director of the Association shall not be personally liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director. This article shall not eliminate or limit the liability of a director for any conduct described in clauses (a) through (e), inclusive, of Section 10-1029(A)(8), Arizona Revised Statutes. If the Arizona Revised Statutes are amended to authorize further elimination or limitation of the liability of a director, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes as so amended. Any repeal or modification of this article shall not increase the liability of a director of the Association arising out of acts or omissions occurring before the repeal or modification becomes effective.

IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Arizona, we, the undersigned incorporators, have executed these Articles of Incorporation as of May 17, 1988.

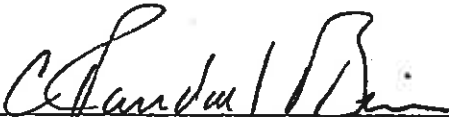

Bill Dougherty


Jerry Schulz

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ACCEPTANCE OF STATUTORY AGENT

C. Randall Bain, having been appointed to serve as statutory agent for Serena Peak at The Foothills Neighborhood Association, hereby accepts said appointment and agrees to serve in that capacity until replaced by the Association in accordance with A.R.S. § 10-1009(A) and (B), or until the effective date of any resignation submitted by the undersigned in accordance with A.R.S. § 10-1009(C).



C. Randall Bain

ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION

Phoenix Address: 1200 West Washington
Phoenix, Arizona 85007

Tucson Address: 402 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-128 & 10-1084

Serena Peak at The Foothills
Neighborhood Association
EXACT CORPORATE NAME

PLEASE SEE REVERSE SIDE

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
1. Have 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. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have 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 where 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.

- B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:
1. Full name and prior name(s) used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public by involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1083

- C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in 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? 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.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
- (a) Was incorporated.
- (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.

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.

State of Arizona
County of Maricopa ss

Subscribed, sworn to and acknowledged before me this
17th DAY of May, 19 88
by Bill Dougherty

Sandra S. Katz
NOTARY PUBLIC

BY Bill Dougherty DATE 5-17-88
TITLE Bill Dougherty, President,
Incorporator and Director
BY Jerry Schulz DATE 5-17-88
TITLE Jerry Schulz, Vice-President,
Incorporator and Director
FISCAL DATE 12/31

My Commission expires: Oct. 30, 1988

By Sheryl Vendl 5-17-88
Sheryl Vendl
Secretary/Treasurer and
Director

STATE OF ARIZONA)
County of Maricopa) ss.

Subscribed and sworn to before me this 17th day
of May, 1988 by Jerry Schulz.

Dinda J. Rapp
Notary Public

My commission expires:
Oct. 30, 1988

STATE OF ARIZONA)
County of Maricopa) ss.

Subscribed and sworn to before me this 17th day
of May, 1988 by Sheryl Vendl.

Dinda J. Rapp
Notary Public

My commission expires:
Oct. 30, 1988

