

ASSOCIATION

BY-LAWS

NOW, THEREFORE, for the reasons set forth in the Recitals, Section 2.1(b) of the Declaration is hereby deemed to be invalid. Pursuant to Section 2.14(c) of the Declaration, all other portions of the Declaration shall remain in full force and effect and shall be unaffected by this Notice.

IN WITNESS WHEREOF, SCOTTSDALE SHADOWS I, INC., an Arizona nonprofit corporation, has hereunto caused it name to be signed by the signature of its duly authorized officials as of the day and year first above written.

SCOTTSDALE SHADOWS I, INC., an Arizona nonprofit corporation

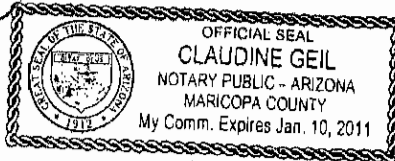
By: Janice M. Solomon
 Its: President

STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ^{Unofficial Document} 30th day of June, 2009, by Janice Solomon, President of Scottsdale Shadows I, Inc., an Arizona nonprofit corporation.

Claudine Geil
 Notary Public

My Commission Expires:
1-10-2011



17A

Unofficial
Document

When recorded, return to:

Recreational Centers Inc.
7800 Camelback Road
Scottsdale, Arizona 85251

SCOTTSDALE SHADOWS I

NOTICE OF INVALIDITY
OF
SECTION 2.1(B)
OF
DECLARATION SUBMITTING PROPERTY TO A
HORIZONTAL PROPERTY REGIME
AND
DECLARATION OF COVENANTS, RESTRICTIONS AND
CONDITIONS

THIS NOTICE OF INVALIDITY OF SECTION 2.1(B) OF DECLARATION SUBMITTING PROPERTY TO A HORIZONTAL PROPERTY REGIME AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Scottsdale Shadows Regime I is made this 30th day of June, 2009 ("Notice").

RECITALS:

A. Scottsdale Shadows I, Inc. ("Association") is an Arizona Condominium Association, originally created as an Arizona Horizontal Property Regime.

B. A Declaration Submitting Property to Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions was recorded on May 23, 1972 in Docket 9451, Page 786, Official Records of Maricopa County Recorder (the "Declaration").

C. Section 2.1(b) of the Declaration provides that any single person or head of any family occupying an apartment unit in this horizontal property regime shall be thirty-nine (39) years of age or older at the time of occupying said apartment unit. No person under the age of sixteen (16) years shall be a resident in any apartment unit.

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D. The Fair Housing Amendments Act of 1988, which was passed by the United States Congress, and the Arizona Fair Housing Act (collectively, the "FHA"), made it unlawful to discriminate in the sale of rental of dwellings based upon "familial status"; that is, one or more individuals who have not attained the age of 18 years being domiciled with a parent or other person having legal custody. The FHA contains an exemption permitting restrictions based upon familial status in developments that satisfy certain requirements as delineated in the FHA.

E. When the Declarant originally created the Association, it intended for the Association to operate as an age-restricted community in accordance with Section 2.1(b) of the Declaration. Additionally, because the FHA did not exist at the time the Association was created and the Declaration was recorded, the Association was not subject to the FHA and Section 2.1(b) therefore did not violate the FHA.

F. The Association never operated in accordance with Section 2.1(b) of the Declaration and furthermore did not and does not: (1) operate as an age-restricted community either pursuant to the Declaration or the FHA; (2) restrict or otherwise prohibit any person of any age from residing in the Association; (3) operate or function in any manner as an adult-only community; or (4) discriminate in any manner with respect to residency eligibility within the Association including without limitation, on the basis of age or familial status.

G. The Association reiterates its past and present practices and proclaims that persons of all ages may reside in the Association and presently reside in the Association. The Association further proclaims that Section 2.1(b) of the Declaration does not represent the view of the Board of Directors, manager or residents of the Association.

H. The Association expressly disclaims Section 2.1(b) of the Declaration and considers Section 2.1(b) of the Declaration to be null, void and unenforceable as a matter of law and adopts this Notice to remove any doubts as to its enforceability or application.

I. Section 2.14(c) of the Declaration provides that should any of the covenants, restrictions or conditions herein imposed be void or be or become unenforceable at law or in equity, the remaining portion shall, nevertheless, be and remain in full force and effect.

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BYLAWS
OF
SCOTTSDALE SHADOWS I, INC.

ARTICLE I

Section 1. The corporation has been formed for the purpose of serving as the Council of Owners for Scottsdale Shadows I (the "Regime"), a horizontal property regime existing by virtue of the Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions for Scottsdale Shadows I, recorded with the County Recorder of Maricopa County, Arizona, on May 22, 1972 in Docket 19451, page 786 et seq. (such document as hereafter amended and in effect from time to time being hereinafter called the "Declaration").

Section 2. Application of Bylaws. All present and future Owners, tenants, future tenants or other employees or any other person that might use the facilities of the Regime in any manner are subject to the provisions of these Bylaws. The ownership or rental of any of the Units in the Regime or the mere action of occupancy of any of said Units will signify that these Bylaws are accepted, ratified and will be complied with by the occupant or Owner.

Section 3. Priority of Declaration. The provisions of the Declaration shall have priority over these Bylaws, and any provision hereof which is contrary to or inconsistent with the Declaration (as amended from time to time) shall be void to the extent of such inconsistency.

ARTICLE II - DEFINITIONS

Section 1. "Regime" shall mean and refer to Scottsdale Shadows Regime I, its successors and assigns.

Section 2. "Properties" or "property" shall mean and refer to that certain real property described as follows:

SCOTTSDALE SHADOWS REGIME I, a horizontal property regime in a portion of the SE 1/4, of the NE 1/4 of Section 23, Township 2 North, Range 4 East, G.&S.R.B.&M., Maricopa County, Arizona.

Section 3. "Common elements" shall mean facilities owned by the Regime for the common use and enjoyment of the Owners.

Section 4. "Unit" shall mean and refer to any apartment unit of the Properties with the exception of the Common Elements.

Section 5. "Owner" and "Member" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The terms "Owners" and "Members" as used by the Bylaws shall be synonymous.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Conditions applicable to the Properties recorded in the Office of the Recorder of the County of Maricopa, Arizona and any amendments thereto.

ARTICLE III - VOTING OF MEMBERS

Section 1. Voting. Notwithstanding the number of Owners who may jointly or otherwise own a Unit, voting on all matters shall be limited to one (1) of the Owners. Where two (2) or more persons own an interest in a Unit, they shall designate to the Board of Directors, in writing, one of their number who shall have the power to vote. In the absence of such designation and until such designation is made, the Board shall make such designation.

Section 2. Voting Rights. In all matters requiring a vote of the owners, voting shall be on a percentage basis and the percentage of the vote to which each owner is entitled is the same percentage assigned to each of said Units in the common elements in the Declaration submitting said property to a horizontal property regime.

Section 3. Majority of Owners. As used in these Bylaws, the term "Majority of Owners" shall mean those Owners holding more than fifty percent (50%) of the votes.

Section 4. Quorum. Except as otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, the presence in person or by proxy of a majority of Owners shall constitute a quorum, and a majority of those present either in person or by proxy at an annual or duly noticed special meeting shall be necessary to act upon any matter before such meeting.

Section 5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Proxies shall be revocable and shall be terminated if the Owner files a written notice of such termination prior to the meeting.

Section 6. Termination of Membership. The Board of Directors by affirmative vote of majority of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing, and, by a majority vote of those present of the Board at any meeting, may terminate the membership of any member who becomes ineligible for membership or suspend or expel any member who shall be in default in the payment of dues. Termination, suspension or expulsion of any

member shall not relieve a member from the obligation to pay any dues, assessments, or other charges accrued and unpaid.

Section 7. Reinstatement. On written request signed by a former member and filed with the Secretary, the Board of Directors, by a majority vote of the members of the Board then present, may reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

ARTICLE IV - MEETING OF MEMBERS

Section 1. Council Responsibilities. The owners of the units will constitute the Council of Owners (hereinafter referred to as the "Council") of the Regime and will elect its Board of Directors. The Board of Directors shall have the responsibility of administering the Regime and exercising all powers and duties provided for by law or in the Declaration, the Articles of Incorporation or these Bylaws, except such matters as are reserved to the Members by law or by such Declaration, Articles of Incorporation or Bylaws.

Section 2. Place of Meeting. Meetings of the Members shall be at the Scottsdale Shadows development or at such other convenient place as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Members shall be held as provided in the Articles of Incorporation. Thereafter, the annual meetings of the Members shall be held at the pleasure of the Board during January of each succeeding year. At such meetings there shall be elected by ballot the Board of Directors in accordance with the requirement of the Declaration and the Articles of Incorporation and of these Bylaws. The members may also transact such other business as may properly come before them at such annual meetings.

Section 4. Special Meetings. Special meetings of the Members may be called by the President, by resolution of the Board of Directors or by a petition signed by a majority of Owners and presented to the Secretary or in such other manner as is required by law. The notice of any special meeting shall state the day and hour and the place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice unless by agreement of more than fifty percent (50%) of the Owners present, either in person or by proxy.

Section 5. Notice of Meeting. It shall be the duty of the Secretary, at the direction of the person or persons calling a meeting, to mail or deliver a notice of each annual or special meeting, stating the purpose or purposes thereof, the day and hour and the place where it is to be held, to each Owner of record, at least five (5) but not more than twenty (20) days prior to such meeting. If the Secretary fails or refuses to act promptly, the person or persons calling the meeting may do so. The mailing of a notice in the manner provided in this section shall be considered notice served.

Section 6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, a majority of the Owners who are present may adjourn the meeting to a time not more than forty-eight (48) hours from time the original meeting was called, and no new notice shall be required.

Section 7. Order of Business. The order of business for the annual meeting of the Members shall be as follows:

- (a) Roll call and verification of proxies.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Appointment of inspectors of election when required.
- (h) Election of members of the Board of Directors when required.
- (i) Unfinished business.
- (j) New business.

ARTICLE V - BOARD OF DIRECTORS

Section 1. Number and Qualification of Board of Directors. The affairs of the corporation shall be governed by a Board of Directors composed of five (5) persons, all of whom must be Owners of Units in the Regime.

Section 2. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law, by the Declaration, by the Articles of Incorporation, or these Bylaws directed to be exercised solely by the Owners.

Section 3. Other Duties. Without limiting the generality of Section 2 of this Article, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Regime and the Common Elements and facilities.

(b) Preparation of an annual budget and allocation of the budget to the various Units.

(c) Employment and dismissal of the personnel necessary for the maintenance and the operation of the Regime and the Common Elements and facilities.

(d) Employment of a management agent at a compensation established by the Board of Directors to perform such duties and services as the Board shall authorize. The duties conferred upon the management agent by the Board of Directors may at any time be revoked, modified or amplified by a majority of the Board of Directors at a duly constituted meeting.

(e) To make emergency repairs within the Units where such repairs are required for the welfare or safety of the Regime or its residents.

(f) To maintain an interest in Recreational Center, Inc. and to obligate this Regime to pay its share of assessments levied by said Recreational Center, Inc. for the purchase, construction, development, operation, maintenance and management of recreational facilities for the Owners in this and other Regimes; and to designate one of its members as a representative of this Regime to attend and vote at all meetings of the Board of Directors and stockholders or members of Recreational Center, Inc.

(g) To obtain and keep in full force and effect fire and hazard insurance on the building and all common elements in the Regime, and public liability and other insurance as required by the Declaration or as permitted and deemed necessary and advisable by the Board.

(h) To grant or relocate easements required for the benefit of the Regime.

(i) To adopt and amend rules and regulations and enforce the same covering the operation and use of all of the property and recreational areas in the Regime.

(j) To suspend, prohibit and restrain any Owner who is delinquent in the payment of any assessments or who violates any of the rules, regulations, Bylaws or Declarations from using all or any part of the recreational facilities furnished and provided by Recreational Center, Inc.

(k) To exercise the option to purchase Units as stated in the Declaration of Restrictions or to designate a person or persons to exercise such option as provided for therein.

(l) To open bank accounts on behalf of the Regime and to designate the signatories required therefore.

- (m) To invest any excess funds held or controlled by the corporation.

The foregoing enumeration of specific responsibilities shall not be deemed to limit any other power or duty of the Board of Directors arising by law or under the Declaration, Articles of Incorporation or these Bylaws.

Section 4. Election and Term of Office. At the annual meetings of the Members, Directors of the Board shall be elected for a term of three (3) years, The Directors shall hold office until their successors have been elected and qualified or until his earlier death, resignation or removal. Until the first annual meeting of the Members, the Board of Directors shall be as designated in the Articles of Incorporation.

Section 5. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum or by a sole remaining director, and any director so chosen shall serve as a director until a successor is elected at the next annual meeting of the Council. At the Annual Meeting, a successor is to be elected for the remainder of the three (3) year term of the vacated Board seat.

Section 6. Resignation and Removal of Directors. A director may resign at any time upon delivery of written notice to the President or Secretary of the corporation. Such resignation shall be in effect upon receipt or at any later time specified therein, and unless otherwise provided therein acceptance of such resignation shall not be necessary to make it effective. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Successors may then and there be elected by the Members to fill the vacancy or vacancies thus created.

Section 7. Compensation. No compensation shall be paid to directors or officers for their services as directors or officers. No remuneration shall be paid to a director for services performed by him for the corporation in any capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. Neither a director nor any officer may be an employee of the corporation. Directors and officers, however, may be reimbursed for any actual expenses incurred in connection with their duties as such officers or directors.

Section 8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be called and held within ten (10) days after the election thereof at such place as a majority of such directors shall approve either before, at or after such meeting.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or FAX, at least three (3) days prior to the date set for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary or by a majority of the directors on three (3) days' notice to each director, given personally or by mail, telephone or FAX, which notice shall state the time, place (as hereinabove provided) and purposes of the meeting.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the number of directors fixed in these Bylaws shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at a meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees handling or responsible for funds of the Regime shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

ARTICLE VI - OFFICERS

Section 1. Designation. The principal officers of the corporation shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors, and, in the discretion of the Board, one or more other officers as the Board may from time to time designate.

Section 2. Election of Officers. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of each new Board and

shall hold office at the pleasure of the Board.

Section 3. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the Members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the power to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

Section 4. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President shall be able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 5. Secretary. The Secretary shall have the responsibility for keeping the minutes of all meetings of the Board of Directors and the Members, such correspondence as shall be necessary, the official Minute Book of the corporation, and such other duties as shall from time to time be imposed on him by the Board of Directors.

Section 6. Treasurer. The Treasurer shall have the responsibility for funds and securities of the corporation and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation and such depositories as may from time to time be designated by the Board of Directors.

Section 7. Indemnification of Members, Directors, Officers and Agents. The Association by its Board of Directors shall have the right and power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, (other than an action by or for the Association) by reason of the fact that such person is or was a member, director, officer, employee or agent of the Association, against expenses including attorneys' fees and against judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided any action or failure to act was in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association and with respect to any criminal action or proceeding had no reasonable cause to believe the conduct was unlawful, and as otherwise as provided under the provisions of A.R.S. 10-1005 (B) and as may be amended from time to time.

ARTICLE VII - OBLIGATION OF OWNERS

Section 1. Assessments. All Owners shall be obligated to pay monthly assessments for common element expenses imposed by the Board of Directors. These expenses shall include a public liability insurance policy and an insurance

policy covering damage to the structures and improvements which are part of the Regime property as a result of fire, storm, earthquake or other hazard which shall be in an amount of the cost of replacement of such improvements. The insurance policies shall cover the entire Regime and not be limited to the general common elements. The assessment shall also include the cost of maintenance and repair of the general common elements, utilities, taxes and assessments, if any, on common elements, and all other items necessary for the maintenance and operation of the common elements. There shall also be included in the assessments reserves for replacements and impounds as required and the cost to the Regime by reasons of its obligations to pay assessments to Recreational Center, Inc. for the purchase, construction, development, operation and management of recreational facilities available to the Owners. The assessments shall be made pro rata according to the percentage of interest of each unit in the common elements of the Regime as set forth in the Declaration submitting said property to a horizontal property regime. Assessments shall commence and be payable by each Owner as of the date of his acquisition of title to his Unit and said assessment shall be payable monthly in advance or at such other time or times as the Board of Directors shall determine. Any assessments levied or collected which are in excess of the amount required for the purposes herein set forth shall be refunded to Owners.

Section 2. Each Owner shall pay the Regime at the time such Owner purchases a Unit a sum equal to six (6) times the then established and existing monthly Common Element assessments for such Unit. Said sum may be used by the Regime as working capital and shall be refunded to the Owner upon the sale or transfer of his Unit less any amounts then due from said Owner to the Regime.

Section 3. The Board of Directors shall from time to time and at least annually prepare a budget for the Regime, determine the amount of the common charges payable by the Owners to meet the common expenses of the Regime and allocate and assess such charges among the Owners according to the interests in the Common Elements appurtenant to their respective Units. The Board of Directors shall advise all Owners promptly in writing of the amount of such charges payable by each of them respectively and shall furnish copies of the budget on which such common charges are based to all Owners and to their mortgagees if requested in writing. The Board of Directors may levy a late penalty charge of ten percent (10%) of unpaid charges, on any Owner who fails to pay all or any part of his assessment on or before the due date as set by the Board of Directors.

Section 4. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance:

- (1) Fire insurance with extended coverage insuring the building and the Common Elements.
- (2) Workers Compensation Insurance.

(3) Public liability insurance in such amounts and with such coverage as the Board of Directors shall from time to time determine, but at least covering each member of the Board of Directors, the managing agent, the manager and each Unit owner and with cross-liability endorsement to cover liabilities of the Owners as a group to a single Owner.

(4) Such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Directors and that the net proceeds thereof shall be payable to the Board of Directors.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by Owners or of invalidity arising from any acts of the insured or any Owner, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and all renewals thereof, or acceptable certificates of such insurance, together with proof of payment of premiums, shall be delivered to all mortgagees of Units if requested in writing at least ten (10) days prior to expiration of the then current policies.

Unit owners may carry insurance if they desire for their own benefit insuring their improvements, carpeting, wall covering, fixtures, furniture, furnishings and other personal property provided that all such policies shall contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Owner.

Section 5. Maintenance and Repair.

(a) Each Owner shall perform promptly all maintenance and repair and upkeep work within his own Unit, which, if omitted, would affect the Regime in its entirety or in a part belonging to other Owners. In the event any Owner fails to maintain, keep or repair his own Unit and in the event the Board of Directors shall determine that it is necessary to perform such repairs, the Board of Directors may enter such Owner's Unit and make such repairs as are necessary, provided, however, that such Owner shall first have been given thirty (30) days' notice of the intention of the Board of Directors to make such repairs. In the event that the Owner fails to make such repairs within said thirty (30) day period, the Board of Directors through its agents may make such repairs and levy an assessment for the costs thereof against the Owner and shall have a lien for all costs incurred against the Owner's Unit as provided in the Declaration.

(b) All the repairs of internal installations within any Unit, such as water, light, gas, power, sewage, telephone, air conditioning, doors, windows, lamps and all other accessories belonging to and located within the Unit shall be at the Owner's expense. Any such repairs required which are outside of the Unit to be served thereby shall be at the expense of the Regime as Common Element maintenance costs.

(c) An owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any Common Element damaged through his own fault.

Section 6. Use of General Common Elements and Facilities. An Owner shall not place or cause to be placed in any Common Element any furniture, packages or objects of any kind. Such areas shall be used for no purpose other than for normal transit and, in the case of recreational facilities, for the normal and intended use of such recreational facilities. Users of the laundry facility are responsible to keep the facilities clean and not abuse them.

Section 7. Right of Entry. The management agent or any other person authorized by the Board of Directors shall have the right of entry into any Unit for purposes of inspection and making necessary repairs, alterations, installations and maintenance to the Common Elements, including mechanical or electrical services, provided that request for such entry is made in advance and such entry is at a time reasonably convenient to the Owner. In case of an emergency, the right of entry shall be immediate.

Section 8. Restrictions on Use of Property. No portion of any Unit may be used as a professional office or for any commercial enterprise. Owners shall not lease or rent less than the entire Unit, or lease, sublease or rent said Unit for a period of less than thirty (30) days and must comply with the provisions of the Rules and Regulations.

ARTICLE VIII - COMMITTEES

The corporation may appoint committees of its Members and/or directors as deemed appropriate in carrying out its purposes.

ARTICLE IX - AMENDMENTS

These Bylaws may be amended by a majority vote of the Members at any regular or special meeting where notice of the proposed amendment is included in the call or notice of meeting, provided that these Bylaws shall not be amended to contain any terms or provision which would be contrary to the Declaration or the Articles of Incorporation as amended from time to time.

ARTICLE X - RULES AND REGULATIONS

The Board of Directors may promulgate and adopt rules and regulations for the management of the Regime, and said rules and regulations shall apply to and govern the occupation of the various Units and of the Common Elements by the Owners and lessees, tenants and guests and all other persons.

ARTICLE XI - BOOKS OF ACCOUNTS AND RECORDS

The Board of Directors shall cause to be maintained complete books of account concerning all funds, assets and liabilities of the corporation. The corporation shall also keep complete minutes of the meetings of its Members, Board of Directors and any committees thereof and a list of the names and addresses of all Members entitled to vote and all irrevocable proxies of which the corporation has received proper notice. All such relevant books of account and other records shall be open to inspection upon the written demand, delivered to the President or Secretary, stating the purpose of such examination, by any Owner or Mortgagee recorded in the Book of Mortgages for any proper purpose reasonably related to his interest as such Owner or Mortgagee. Such books and records shall be kept at the horizontal property regime in a location or locations known to the members. Such inspection may be made in person or by agent or attorney, and the right of inspection includes the right to make copies of or extracts from or to perform audits of such books and records.

ARTICLE XII - FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIII - WASHERS AND DRYERS

Washers and dryers shall not be installed in the individual Units of the Regime. Those Units having such hookups prior to May 15, 1995 are excluded from such prohibition.

ARTICLE XIV - PETS

Dogs are banned on Regime I property except those dogs residing here as of 4/7/98 are grandfathered in until their death. Pet owners are required to adhere to the rules set forth in the current Rules and Regulations of Scottsdale Shadows.

Bylaws Amendment
From the
October 31st, 2005
Homeowners Meeting

That henceforth the purchaser of any unit must occupy the premises for at least one year from the day title passes.

That henceforth any unit maybe rented for a maximum of 1 lease in any 12 consecutive months with a minimum of 4 months or fines will be levied on the unit owner.

Failure to comply with the above amendments will result in a fine of at least \$2000.00 plus attorney fees and costs required for enforcement of the foregoing provisions.

Buyer Signature

Date