

**SCOTTSDALE SHADOWS
REGIME III, INC.
Board of Directors
7800 E. Camelback Rd
Scottsdale, AZ. 85251**

Building 24 – 7830 E. Camelback Rd
Building 25 - 7930 E. Camelback Rd.

David Marini – President

October 17th, 2008

Council of Homeowners
Regime III
Scottsdale Shadows

Dear Homeowner:

Please be advised that your Board of Directors has, at a regular Board meeting, held on September 16th, 2008, and after due deliberation, unanimously passed the following **Leasing Rule**, in addition to those already in effect:

LEASING RULES

Pursuant to the Association's rulemaking authority as set forth in Section 2.10 of the Declaration Submitting Property to a Horizontal Property Regime and Declaration of Covenants, Restrictions and Conditions, recorded on November 14, 1972, in Docket 9818, Pages 47,65, Official Records of Maricopa County Recorder, ("Declaration") and Article IV , Section 3(k) of the Bylaws, Scottsdale Shadows Regime III, Inc. adopts the following Leasing Rules.

RENTING/LEASING

Effective as of the date of adopting these Leasing Rules, all leases must be in writing, shall in all respects be subject to and in compliance with the provisions of the Declaration, Articles, Bylaws and Rules (hereinafter "Community Documents"), and shall expressly provide that a violation of any provision of the Community Documents shall be a default under such lease requiring the Owner to terminate the lease or to bring summary proceedings to evict the tenants. The term Community Documents shall also include all RCI Rules and Regulations, By Laws and any other documents affecting or pertaining to Common Areas located within Scottsdale Shadows. Any Owner who leases a Unit shall deliver to the tenant, prior to the start of the tenancy, a copy of the Community

Documents. Each Owner shall deliver to the Association within ten (10) days of commencement of the tenancy: 1) a fully executed Crime Free Lease Addendum, as may be established by the Board; 2) a copy of the lease agreement; 3) a signed acknowledgment that a copy of the Community Documents have been delivered to the tenant; and 4) a paperwork processing fee in such amount as established by the Board. The Board has the right to exclude any person from the Association property, including Common Areas and Common Elements other than a record Owner and his/her immediate family members, who attempts to occupy a Unit or any portion thereof, who has not complied with the foregoing or who attempts to hold over. This right is in addition to such other rights and remedies available to the Association, including fining the Owner and suspending rights.

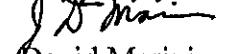
A copy of the **Crime Free Lease Addendum**, referred to in the Rule, that must be completed for every new lease and made part thereof, is attached to this letter. Additional copies of the Addendum may be obtained either from the Regime Office or the office of Registration & Records.

This rule applies to all new leases. While this Rule is designed to afford the Regime and its Council of Homeowners additional protection and rights with regard to certain conduct as described in the Rule and the Crime Free Lease Addendum, it should be noted that the foregoing is for the benefit of the Landlord, as well.

If you have any questions concerning the above, please do not hesitate to call the General Manager at 480-994-2063

PLEASE NOTE THAT ALL NEW LEASES MUST BE ACCOMPANIED BY A FULLY COMPLETED AND EXECUTED CRIME FREE LEASE ADDENDUM.

Very truly yours,



David Marini
President-Regime III
For the Board and
Council of Homeowners

SCOTTSDALE SHADOWS REGIME III, INC.

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Adopted at a meeting of the Scottsdale Shadows Regime III Board of Directors this 16 day of Sept, 2008.

Scottsdale Shadows Regime III, Inc.

By Daniel Baran, VP *DB*
President

Natalie Yarker
Secretary

**CRIME FREE LEASE ADDENDUM
Scottsdale Shadows Regime III, Inc.**

All Owners who rent or lease their Unit within Scottsdale Shadows Regime III, Inc. ("Association") and their Tenants are required to complete, sign and return this Crime Free Lease Addendum to the Board of Directors.

Owner Name(s): _____ Unit #: _____

Owner(s) Mailing Address: _____

Owner(s) Telephone Number(s): _____

Property Address: _____

Name of Property Management Company (if applicable): _____

Address of Management Co.: _____

Telephone Number of Management Co.: _____ Representative: _____

Tenant Name(s): _____

Tenant's Telephone Number: _____ Number of Children: _____

Age of Children: _____ Pets: _____

Length of Lease: _____ Number of Vehicles on Property: _____

Vehicle No. 1: License Plate #: _____ Make: _____ Color: _____

Vehicle No. 2: License Plate #: _____ Make: _____ Color: _____

Rental Property Registration Number: _____

In consideration of the execution or renewal of a Lease, Rental or Occupancy Agreement between Owner(s) and Tenant(s) of the dwelling unit within Scottsdale Shadows Regime III, Inc. ("Lease Agreement"), the Owner(s) and Tenant(s) agree as follows:

NOTE: For the purposes of this Addendum, the term ("premises"), shall include all areas owned and controlled by RCI, within the Community known as Scottsdale Shadows.

CRIME FREE NEIGHBORHOOD AGREEMENT

1. Tenant, any member of the tenant's household or a guest or other person affiliated with or under the tenant's control shall not engage in criminal activity, including drug-related criminal activity, on or near the said premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 or the Controlled Substance Act [21 U.S.C. 802]).
2. Tenant, any member of the tenant's household, or a guest or other person affiliated with or under the tenant's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near said premises.
3. Tenant or any member of the tenant's household or affiliated with Tenant, will not permit the dwelling to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest.
4. Tenant, any member of the tenant's household or guest, or another person affiliated with or under the tenant's control shall not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near the dwelling unit, premises, or otherwise.
5. Tenant, any member of the tenant's household, or a guest or another person affiliated with or under the tenant's control shall not engage in any illegal activity, including prostitution as defined in A.R.S. 13-3211, criminal street gang activity, as defined in A.R.S. 13-105 and 13-2308, threatening or intimidating as prohibited in A.R.S. 13-1202, assault as prohibited in A.R.S. 13-1203, including but not limited to the unlawful discharge of firearms, on or near the dwelling unit premises, or any breach of the lease agreement

that otherwise jeopardizes the health, safety, and welfare of the Owner, his or her agent or other tenant or involving imminent serious property damage, as defined in A.R.S. 33-1368.

6. VIOLATION OF THE COMMUNITY DOCUMENTS OR THE PROVISIONS HEREIN SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY. The Owner and the tenant agree that Scottsdale Shadows Regime III, Inc. is a third-party beneficiary of the lease and this Addendum and may enforce all the terms of these contracts and may avail itself of all the remedies afforded a landlord under Arizona Law including the forcible detainer laws. A single violation of any provisions of the community documents or this Addendum shall be deemed a serious violation, and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for immediate termination of the lease under A.R.S. 33-1377, as provided in A.R.S. 33-1368. Unless otherwise prohibited by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.

RESIDENTIAL CONTROL AGREEMENT

I (we), the Owner(s) and Tenant(s), have received, read and agree to abide by the Declaration Submitting Property to a Horizontal Property Regime and Declaration of Covenants, Restrictions and Conditions, recorded on November 14, 1972, in Docket 9818, Pages 47 & 65, Official Records of Maricopa County Recorder, as may be amended ("Declaration"), and Leasing Rules of Scottsdale Shadows Regime III, Inc.; all RCI Rules & Regulations, By-Laws and any other documents affecting or pertaining to the Common Areas located within the Community known as Scottsdale Shadows; and all other Rules as may be adopted by the Association (collectively "Community Documents") knowing that if they are not adhered to, the Owner(s) will ultimately be fined for the violations. All the parties acknowledge and agree that Scottsdale Shadows Regime III, Inc. is a third-party beneficiary of the Lease Agreement and can enforce all its terms against the Tenant(s) and can enforce all remedies under the Arizona Landlord and Tenant laws against the Tenant(s) for violations of the Association's Community Documents, the Lease Agreement and this Lease Addendum.

Owner(s) and Tenant(s) Initials: _____

I (we), the Owner(s) and Tenant(s) hereby appoint the Association as an agent of Owner(s) and Tenant(s) for the purpose of conducting and obtaining a criminal background check of said Tenant(s) on behalf of Owner(s), IF the Association so desires at the Owner's expense. This Lease Addendum is incorporated into the Lease Agreement executed or renewed between Owner(s) and Tenant(s).

Owner(s) and Tenant(s) Initials: _____

In the event of a conflict between the provisions of this Addendum and any other provisions of the Lease Agreement, the provisions of the Addendum shall govern.

Tenant Signature	Date	Tenant Signature	Date
_____	_____	_____	_____
Owner Signature	Date	Owner Signature	Date
_____	_____	_____	_____
Owner Signature	Date	Owner Signature	Date
_____	_____	_____	_____

Return the original signed Lease Addendum to:

Scottsdale Shadows Regime III, Inc.
7800 E. Camelback Road
Scottsdale, Arizona 85251