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***FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM
AND OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW MOUNTAIN VILLAS CONDOMINIUM
(Addition of Future Annexable Property)***

THIS FIRST AMENDMENT to Declaration of Condominium and of Covenants, Conditions and Restrictions for Shadow Mountain Villas Condominium (the "***First Amendment***") is made this 27th day of January, 2006, by ***SHADOW MOUNTAIN VILLAS, L.L.C.***, an Arizona limited liability company (the "***Declarant***").

RECITALS:

(A) On or about even date herewith, Declarant caused a Declaration of Condominium and of Covenants, Conditions and Restrictions to be Recorded for Shadow Mountain Villas Condominium at Instrument No. 2006-0181307 in the Official Records of the Maricopa County, Arizona Recorder (the "***Declaration***"). The Declaration subjects certain real property described on the Plat Recorded in Book 812 of Maps, page 13 of the Official Records of the Maricopa County, Arizona Recorder and on ***Exhibit A***, attached hereto and incorporated herein by this reference, to a Condominium pursuant to the Condominium Act, subject to the further provisions of the Declaration. Declarant is presently the Owner of all of the Units in the Condominium.

(B) Section 2.6 of the Declaration reserved to the Declarant the right to expand the Condominium by Recording an amendment to the Declaration adding to the Condominium the real property defined as "***Future Annexable Property***" in Section 1.1(X) of the Declaration and further described on ***Exhibit B*** attached hereto and incorporated herein by this reference.

(C) Declarant desires to expand the Condominium by conditionally adding the Future Annexable Property to the Condominium as provided herein.

(D) Capitalized terms used in this First Amendment without definition shall have the meanings given to such terms in the Declaration.

NOW, THEREFORE, the Declarant hereby declares and amends the Declaration as follows:

1. For purposes of this First Amendment, the Future Annexable Property is hereby divided into twenty-five (25) separate Phases (each consisting of a Building within the Future Annexable Property) and conditionally added to the Condominium. A Phase within the Future Annexable Property shall become irrevocably added to the Condominium and subject to the Declaration on the date the first Unit within that Phase is conveyed to a Purchaser or, if earlier, on the date the Declarant Records a Confirmatory Declaration of Annexation for purposes of satisfying FHA or VA requirements as further provided in said Section 2.6 (the "***Effective Date***"). No Unit within the Future Annexable Property shall become subject to the terms and conditions of this Declaration or deemed irrevocably added to the Condominium until the Effective Date, except as may be otherwise provided in this Paragraph 1 and in Paragraph 6 below.

2. The total number of Units being conditionally added by this First Amendment is two hundred thirty two (232). The Identifying Numbers of those Units are 1033 through 1264, inclusive.

3. Each Phase in the Future Annexable Property added to the Condominium as provided herein shall be comprised of a Building identified on the Plat and the Declaration as being part of the Future Annexable Property together with the Units therein and their respective interest in the Common Elements. Immediately upon the Effective Date for a Phase, each Unit in the Phase shall be allocated the Limited Common Elements described in Section 2.5 of the Declaration.

4. Upon the Effective Date for each Phase, the undivided interest in the Common Elements and in the Common Expenses shall be allocated equally among all of the Units then subject to the Declaration so that each Unit's undivided interest in the Common Elements and in the Common Expenses of the Association shall be the fraction, the numerator of which is one and the denominator of which is all Units then irrevocably committed to the Condominium and subject to the Declaration. In addition, upon the Effective Date for each Phase, the votes in the Association shall be allocated equally among all of the Units then subject to the Declaration with each Unit having one vote.

5. All of the Development Rights and Special Declarant Rights granted to, or reserved by, the Declarant in the Declaration, shall apply to the Future Annexable Property.

6. Declarant may not withdraw any Phase of the Future Annexable Property after the Effective Date for that Phase and Declarant shall be deemed to have automatically and irrevocably added all of the Future Annexable Property to the Condominium unless, within seven (7) years after the Recording of the Declaration, and in accordance with Section 2.6 thereof, Declarant records an amendment withdrawing any portion of the Future Annexable Property that

has not been irrevocably added by the sale of a Unit in that Phase or by the recordation of a Confirmatory Declaration of Annexation for purposes of satisfying FHA or VA requirements.

7. Except as amended by this First Amendment, the Declaration shall remain unchanged.

IN WITNESS WHEREOF, the Declarant has executed this First Amendment on the day and year first set forth above.

DECLARANT:

SHADOW MOUNTAIN VILLAS, L.L.C.
an Arizona limited liability company

By *Kayvan Sanaiha*
Kayvan Sanaiha, Managing Member

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30 day of January, 2006, before me, the undersigned notary public in and for said county and state, by KAYVAN SANAIHA, the Managing Member of Shadow Mountain Villas, L.L.C., an Arizona limited liability company, for and on behalf of said limited liability company.

IN WITNESS WHEREOF, I hereunto place my hand and seal.

Beth Armstrong Neel Horton
Notary Public

My Commission Expires:



BETH HORTON
Notary Public - Arizona
Maricopa County
Expires 04/21/06

EXHIBIT A**Legal Description of Property Initially Submitted to Condominium**

Units 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, and 1032, inclusive, according to the Declaration of Condominium and of Covenants, Conditions and Restrictions Recorded on January 08, 2006 at Instrument No. 2006-0181307 and the Plat of SHADOW MOUNTAIN VILLAS CONDOMINIUM Recorded in Book 812 of Maps, page 13; both of which are Recorded in the Official Records of the Maricopa County, Arizona;

TOGETHER WITH an undivided interest in the Common Elements;

EXCEPT the Future Annexable Property.

EXHIBIT B**Legal Description of Future Annexable Property**

Units 1033 through 1264, inclusive, contained in Buildings 5 through 29, inclusive*, as shown on the Plat, according to the Declaration of Condominium and of Covenants, Conditions and Restrictions for Shadow Mountain Villas Condominium Recorded on January 08, 2006 at Instrument No. 2006-0181307 and according to the Condominium Plat for SHADOW MOUNTAIN VILLAS CONDOMINIUM Recorded in Book 812 of Maps, page 13; both of which are Recorded in the Official Records of the Maricopa County, Arizona;

TOGETHER WITH an undivided interest in the Common Elements as set forth in said Declaration and as designated on said Plat.

*Each Building described herein is a separate Phase pursuant to Section 2.6 of the Declaration and may be added to the Condominium in any order.