

1 When Recorded Return to
2 RICHARD B. SNODGRASS
3 Post Office Box "O"
Lake Havasu City, Az 86403

PROCEED
INDEXED MISCELLANEOUS
Fee # 84-3410

Recorded in Official Records
of Mohave County, Arizona
JAN 27 1984 10 40 AM
Joan McCall, Recorder



\$ 49.00

1 of 2

AMENDMENT TO
DECLARATION OF HORIZONTAL PROPERTY REGIME
TOGETHER WITH
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
KANADU LAKE RESORT CONDOMINIUMS

13 This amended Declaration is made pursuant to A.R.S.
14 §33-551 through 33-561, et. seq., this 25th day of January
15 1984, by FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA, as
16 Trustee, an Arizona corporation, hereinafter referred to as
17 "Declarant" who holds the property in Trust 5853, for the benefit
18 of RICHARD B. SNODGRASS, a single man as to his sole and separate
19 property. Said Regime was recorded in Official Records of the
20 Mohave County Recorder, in Book 956 of Official Records, Pages
21 818-859, re-recorded in Book 961 of Official Records, Pages 831-872
22 and amended in Book 975 at Pages 324-325.

23 WITNESSETH:

24 WHEREAS, the Declarant is the fee owner of the following
25 described real property to wit: See Exhibit "A" attached hereto
26 and incorporated herein by reference as though fully set forth.

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1 WHEREAS, Declarant desires to create on said property, a
2 resident and commercial community, providing for the preservation
3 of values and amenities by subjecting the property to a general
4 plan of covenants, restrictions, easements, charges and liens as
5 hereinafter set forth to the benefit of said property and each
6 owner thereof, and

7 WHEREAS, Declarant will create a non-profit corporation,
8 the members of which shall be the respective owners of the common
9 facilities, for the purpose of maintaining and administering the
10 covenants, conditions and restrictions hereinafter set forth to
11 insure the overall interest hereof.

12 NOW THEREFORE, Declarant declares that said real
13 property is and shall be held, transferred, sold, conveyed and
14 occupied subject to the covenants, conditions, restrictions,
15 easements, charges and liens, all of which shall run with the land,
16 and shall apply to and be binding upon all parties having or
17 acquiring any right, title or interest in said property or any part
18 thereof, as hereinafter set forth.

19 ARTICLE I

20 DEFINITIONS

21 Section 1. The following words when used in this
22 Declaration or any Supplemental Declaration (unless the context
23 shall prohibit) shall have the following meanings:

24 (a) "Unit" shall mean a separate freehold estate,
25 consisting of an airspace defined as follows: The boundaries of
26 each such Unit are as follows:

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1 (i) The lower vertical boundary is a horizontal
2 plane, the elevation of which coincides with the elevation of the
3 floor plane thereof.

4 (ii) The upper vertical boundary is a horizontal
5 plane, the elevation of which coincides with the elevation of the
6 ceiling plane thereof.

7 (iii) The lateral boundaries are the interior face of
8 the perimeter walls, windows and doors thereof and central planes
9 of interior common walls, extending from floor plane to ceiling
10 plane.

11 (iv) Each such Unit includes the interior surfaces
12 so described, and the portions of the building and improvements
13 lying within said boundaries, including, but not limited to,
14 ceiling, wall and floor surfacing and interior non-load bearing
15 walls, heating and air conditioning units, ranges, garbage disposal
16 units, water heaters, and other household appliances lying within
17 said boundaries and/or appurtenant areas. Each such Unit so
18 defined shall also including parking and storage areas.

19 (v) Unless otherwise indicated, all airspace
20 boundary lines intersect at right angles.

21 The following are not part of a Unit of appurtenant area:
22 Bearing walls, columns, beams, vertical supports, roofs,
23 foundations, pipes, ducts, flues, conduits, wires and other utility
24 installations, wherever located, except the outlets thereof when
25 located within the Unit or appurtenant area. In interpreting
26 deeds, plats, declaration and plans, the existing physical

1 boundaries of a Unit or a Unit reconstructed in substantial
2 accordance with the original plans thereof shall be conclusively
3 presumed to be its boundaries rather than the description expressed
4 in the deed, plat, plan or declaration, regardless of settling or
5 lateral movement of the building, and regardless of minor variances
6 between the boundaries as shown on the plan or in the deed and
7 declaration and those of the buildings. Each of the Units in each
8 building shall be a separate and distinct Unit.

9 (b) "Building" shall mean a structure containing one or
10 more units that have been or hereafter shall be constructed on the
11 land.

12 (c) "Association" shall refer to the XANADU LAKE RESORT
13 CONDOMINIUMS, INC., an Arizona non-profit corporation, its
14 successors and assigns, formed as an entity through which the
15 owners may act, in accordance with Arizona Revised Statutes 33-55.1
16 and 33-561 (1962)

17 (d) "The Properties" shall mean and refer to all such
18 existing properties as are subject to this Declaration.

19 (e) "Member" shall mean any person, corporation,
20 partnership, joint venture or other legal entity who is an owner as
21 provided for herein.

22 (f) "Owner(s)" shall mean and refer to the record owner,
23 whether one or more persons or entities, or equitable or beneficial
24 title (or legal title if same has merged) of any Unit. "Owner"
25 shall include the purchaser under an executory contract for the
26 sale of real property. The foregoing does not include persons or

1 entities who hold an interest in any Unit merely as security for
2 the performance of an obligation. Except as stated otherwise
3 herein, "Owner" shall not include a lessee or tenant of a Unit.
4 For the purposes of Article VI only, unless the context otherwise
5 required, "owner" shall also include the family, invitees,
6 licensees, and lessees of any Owner, together with any other person
7 or parties holding any possessing interest granted by such owner in
8 any Unit.

9 (g) "Board" shall mean the Board of Directors of the
10 Association.

11 (h) "Bylaws" shall mean the Bylaws of the Association
12 and as such Bylaws may be amended from time to time.

13 (i) "Declarant" shall mean FIRST AMERICAN TITLE
14 INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee.

15 (j) "Declaration" shall mean this entire document as
16 same may from time to time be amended.

17 (k) "Common Area", sometimes referred to as "Common
18 Facilities" shall mean the entire properties except Unit as defined
19 in (a) above.

20 (l) "Visible From Neighboring Property" shall mean, with
21 respect to any given object, that such object is or would be
22 visible to a person six feet tall, standing on any part of such
23 neighboring property at an elevation of the base of the object
24 being viewed.

1 (m) "Unoccupied" with reference to any Unit or Units
2 shall mean any Unit that has been constructed but not yet conveyed
3 by the Developer or Trustee.

4 ARTICLE II

5 DECLARATION OF HORIZONTAL PROPERTY REGIME

6 Section 1. Property Subject to this Declaration:

7 Declarant is the owner of the real property which is, and shall be
8 held, transferred, sold, conveyed and occupied subject to this
9 Declaration, which is located in Lake Havasu City, Mohave County,
10 Arizona, and is more particularly described as follows: See
11 Exhibit "A" attached hereto. XANADU LAKE RESORT CONDOMINIUMS will
12 consist of Seven (7) buildings containing Eighty-two (82) Units
13 described and situated as shown on Exhibit "B" attached hereto and
14 by this reference made a part hereof.

15 Section 2. Declaration. Pursuant to Chapter 4.1,
16 Article 1, Section 33-551 to 33-561 inclusive, Arizona Revised
17 Statutes, 1962, Declarant does hereby submit said property
18 described above to the Horizontal Property Regime in order to
19 establish the nature of the use and enjoyment of the aforescribed
20 property.

21 Section 3. Use of Units.

22 (a) Residential:

23 The buildings, common areas, and each of the units designated:

24 B-1	B-9	B-17	B-25	C-6	C-14	C-22	C-33
B-2	B-10	B-18	B-26	C-7	C-15	C-23	C-34
B-3	B-11	B-19	B-27	C-8	C-16	C-24	
B-4	B-12	B-20	C-1	C-9	C-17	C-25	
B-5	B-13	B-21	C-2	C-10	C-18	C-26	
B-6	B-14	B-22	C-3	C-11	C-19	C-27	

1 B-7 B-15 B-23 C-4 C-12 C-20 C-30
 2 B-8 B-16 B-24 C-5 C-13 C-21 C-31

3 are restricted to use and shall only be used for such residential
 4 uses as are permitted under the ordinances and regulations of Lake
 5 Havasu City, together with any subsequent amendments thereto and as
 6 shall be permitted under the recorded covenants, conditions and
 7 restrictions which have been impressed upon the property submitted
 8 to this regime. Provided further, however, that occupancy and use
 9 shall be in accordance with the characteristics and theme of the
 10 development. Notwithstanding the foregoing however, it is
 11 specifically provided that each said units shall comply with the
 12 following restrictions:

13 (1) No immoral, improper, unlawful or offensive activity
 14 shall be carried on in any condominium unit or upon the common
 15 elements, nor shall anything be done which may be or become an
 16 annoyance or a nuisance to the owner of any other condominium unit.
 17 No owner of any unit shall do or permit anything to be done or keep
 18 or permit to be kept in his condominium unit or on the common
 19 elements, anything that will increase the rate of insurance on the
 20 entire condominium project. Should any owner inadvertently do
 21 anything to cause an increase in the rate of insurance on the
 22 entire condominium project, said owner shall specifically and
 23 solely be responsible for said additional cost.

24 (2) No external items such as, but not limited to,
 25 television and radio antennas, flag poles, wiring, insulation, air
 26 conditioning equipment, water softening equipment, fences, awnings,

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1 ornamental screens, screen doors, sun shades, walls landscaping and
2 planting, other than those provided, and any replacements thereof,
3 shall be constructed, erected or maintained on the property,
4 including any buildings thereof. The Association may maintain in
5 effect or cause to be maintained in effect, a central antenna
6 system or systems, which shall provide connections to each
7 condominium unit by an underground or internal wall wiring, or a
8 combination thereof.

9 (3) No temporary building or structures of any kind
10 shall be erected on the property.

11 (4) The Board may adopt association rules related to the
12 parking of vehicles (including motorcycles, trailers, campers,
13 boats, bicycles, and other similar items) within the property,
14 including the assessment of charges to owners and occupants who
15 violate, or whose invitees violate, such rules. Any charges to be
16 assessed shall be special assessments.

17 (5) Only curtains, drapes and shades may be installed as
18 window covers, as approved by Developer. No windows shall be
19 covered by paint, foil, sheets or similar items.

20 (6) No radio, stereo, broadcast or loud speaker units,
21 no amplifiers of any kind shall be placed on or outside, or be
22 directed to the outside of any building or unit without the prior
23 written approval of the board.

24 (7) No repairs of any detached machinery, equipment or
25 fixtures, including without limitation, motor vehicles, shall be
26 made upon the property.

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1 (8) All rubbish, debris or unsightly materials or
2 objects of any kind shall be regularly removed from condominium
3 units and shall not be allowed to accumulate therein or thereon.
4 Refuse containers and machinery and equipment not part of units,
5 shall be prohibited upon any condominium unit unless obscured from
6 view of adjoining condominium units and common elements. Trash and
7 garbage not disposed of by equipment contained within the
8 condominium unit shall be placed in containers by owners and
9 occupants for removal from the property in accordance with
10 association rules applicable thereof adopted by the Board.

11 (9) No nuisance shall be permitted to exist or operate
12 upon any property so as to be offensive or detrimental to any other
13 property in the vicinity thereof or to its occupants. The Board,
14 in its sole discretion shall have the right to determine the
15 existence of any nuisance.

16 (10) The Association shall have the power to make and
17 adopt reasonable association rules with respect to activities which
18 may be conducted on any part of the property. The Board's
19 determination as to whether a particular activity being conducted
20 or to be conducted violates or will violate such association rules
21 shall be conclusive unless, at a regular or special meeting of the
22 Association, owners representing a majority or the voting power of
23 the Association vote to the contrary.

24 (b) Commercial.
25 The buildings, common areas and each of the units designated as:

1	A-9	A-15
2	A-10	B-28
3	A-11	B-31
4	A-12	B-32
5	A-13	C-28
6	A-14	C-29

are restricted to use and shall only be used for such commercial uses as are permitted under the ordinances and regulations of Lake Havasu City, together with any subsequent amendments thereto and as shall be permitted under the recorded covenants, conditions and restrictions which have been impressed upon the property submitted to this regime. Provided further, however, that occupancy and use shall be in accordance with the characteristics and theme of the development. Notwithstanding the foregoing however, it is specifically provided that each said units shall comply with the following restrictions:

(1) There shall be no obstruction of the common areas and facilities. Except in the case of designated storage areas, nothing shall be stored in the common areas and facilities without the prior written consent of the Board of Directors.

(2) Nothing shall be done or kept in any unit or in the general or limited common areas and facilities which shall increase the rate of insurance on the general or limited common areas and facilities without the prior written consent of the Board of Directors. No owner shall permit anything to be done or kept in his unit or in the general or limited common areas and facilities which will result in the cancellation of insurance of any unit or

1 any part of the general or limited common areas and facilities,
2 which would be in violation of any law. No waste will be committed
3 of the general common areas and facilities or limited common areas
4 and facilities.

5 (3) No owner of a unit shall, without the written
6 approval and consent of the Board of Directors, place or suffer to
7 be place or maintained (i) on any exterior door, wall or window of
8 the unit, or upon any door, wall or window of the common elements,
9 any sign, awning or canopy, or advertising matter or other things
10 of any kind, or (ii) any decoration, lettering on the unit or (iii)
11 any advertising matter within the unit which shall be visible from
12 the exterior thereof; provided, that the Board of Directors shall
13 establish reasonable and uniform regulations permitting the
14 placement and maintenance by each owner of identifying signs and
15 insignia of such sizes and materials and in such locations as shall
16 be architecturally suitable and appropriate to the design and
17 function of the project.

18 (4) No noxious, dangerous or offensive activity shall be
19 carried on in any unit or in the general or limited common areas
20 and facilities, nor shall anything be done therein which may be or
21 become an annoyance or nuisance to other owners.

22 (5) Nothing shall be placed, altered or constructed in
23 or removed from the general or limited common areas and facilities,
24 except upon the prior written consent of the Board of Directors.

25 (6) The Board of Directors is authorized to adopt rules
26 for the use of the general or limited common areas and facilities,

1 and prescribe penalties for any violation thereof, and shall
2 furnish such rules in writing to the owners, who shall be bound
3 thereby.

4 (7) None of the rights and obligations of the owners
5 created herein, or by the deeds conveying the condominiums, shall
6 be altered in any way by encroachments due to settlement or
7 shifting of structures or any other cause. If any portion of the
8 common elements now encroaches upon any units, or if any unit now
9 encroaches upon any other unit or upon any portion of the common
10 elements, as a result of the construction of the buildings, or if
11 any such encroachment shall occur hereafter as a result of settling
12 or shifting of any buildings, a valid easement shall exist for the
13 encroachment and for the maintenance of the same so long as the
14 buildings stand in which the unit is situated. In the event such
15 buildings, the unit, any adjoining unit, or any adjoining common
16 elements shall be partially or totally destroyed as a result of
17 fire or other casualty or as a result of condemnation or eminent
18 domain proceedings, and then rebuilt, encroachments or parts of the
19 common elements upon any unit, or of any unit upon any other unit
20 or upon any portion of the common elements due to such rebuilding,
21 shall be permitted, the valid easements for such encroachments and
22 the maintenance thereof shall exist so long as such buildings shall
23 stand.

24 (8) Each unit owner shall have an easement in common
25 with the owners of all other units to use all pipes, wires, ducts,
26 cables, conduits, public utility lines and other common elements

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1 located in any of the other units and serving his unit. Each unit
2 shall be subject to an easement in favor of the owners of all other
3 units to use the pipes, ducts, cables, wires, conduits, public
4 utility lines and other common elements serving such other units
5 and located in such unit. The Board of Directors shall have a
6 right of access to each unit to inspect the same, to remove
7 violations therefrom and to maintain, repair or replace the common
8 elements contained therein or elsewhere in the building.

9 (c) Residential or Commercial.

10 The buildings, common areas, and each of the units designated as:

11 B-29	B-33	C-32
B-30	B-34	

12 are restricted to use and shall only be used for such residential
13 uses or commercial uses as permitted under the ordinances and
14 regulations of Lake Havasu City, together with any subsequent
15 amendments thereto and as shall be permitted under the recorded
16 covenants, conditions and restrictions which have been impressed
17 upon the property submitted to this regime. Provided further,
18 however, that occupancy and use shall be in accordance with the
19 characteristics and theme of the development. It is further
20 specifically provided that any unit designated for commercial or
21 residential use shall not be used for residential or commercial
22 uses simultaneously. When such unit is being used for residential
23 purposes, the restrictions set forth in Section 3(a) shall apply.
24 When such unit is used for commercial purposes, the restrictions
25 set forth in Section 3(b) shall apply.
26

1 (d) Storage.

2 Units designated A-1, A-2, A-3, A-4, A-5, A-6 and A-7 shall be used
3 for storage only.

4 (e) Common Restrictions on Use. The following
5 restrictions apply to each unit within this horizontal regime
6 whether designated residential, commercial, or residential and/or
7 commercial:

8 (1) No animals, livestock or poultry of any kind
9 shall be raised, bred or kept in any unit or in the general or
10 limited common areas and facilities without the expressed
11 permission of the Board of Directors.

12 (2) None of the rights and obligations of the
13 owners created herein, or by the deeds conveying the condominiums,
14 shall be altered in any way by encroachment due to settlement or
15 shifting of structures or any other cause. If any portion for the
16 common elements now encroaches upon any units, or if any unit now
17 encroaches upon any other unit or upon any portion of the common
18 elements, as a result of the construction of the building, or if
19 any such encroachment shall occur hereafter as a result of settling
20 or shifting of any buildings, a valid easement shall exist for the
21 encroachment and for the maintenance of the same so long as the
22 buildings stand in which the unit is situated. In the event such
23 buildings, the unit, any adjoining unit, or any adjoining common
24 element shall be partially or totally destroyed as a result of fire
25 or other casualty or as a result of condemnation or eminent domain
26 preceeding, and then rebuilt, encroachments or parts of the common

1 elements upon any unit, or of any unit upon any other unit or upon
2 any portion of the common elements due to such rebuilding, shall be
3 permitted, the valid easements for such encroachments and the
4 maintenance thereof shall exist so long as such buildings shall
5 stand.

6 (3) Each unit owner shall have an easement in common
7 with the owners of all other units to use all pipes, wires, ducts,
8 cables, conduits, public utility lines and other common elements
9 located in any of the other units and serving his unit. Each unit
10 shall be subject to an easement in favor of the owners of all other
11 units to use the pipes, ducts, cables, wires, conduits, public
12 utility lines and other common elements serving such other units
13 and located in such unit. The Board of Directors shall have a
14 right of access to each unit to inspect the same, to remove
15 violations therefrom and to maintain, repair or replace the common
16 elements contained therein or elsewhere in the building.

17 (f) Monthly Assessments.

18 Each unit owner shall initially pay a monthly assessment during the
19 period of ownership as hereinafter set forth. The initial monthly
20 assessment may be modified hereafter by the Homeowners Association
21 and may be raised or lowered in a proportionate amount. The
22 developer is not responsible for payment of this assessment.

23 (g) Model Units and Sales Office.

24 Declarant and Declarant's duly authorized agents, representatives
25 and employees shall have the right to maintain model units and a
26 sales office within the project, and to use the model units and

1 sales office during the period that units remain unsold. No more
2 than four model units and two sales office will be constructed and
3 maintained by Declarant.

4 (h) Fractional Interest.

5 Each Unit shall mean an undivided fractional interest in the entire
6 Horizontal Property Regime as set forth hereinafter; 1/82%.

7 Section 4. Vertical Dimension: All reference to
8 vertical dimension made in this document or on the recorded map
9 referred to in Section 1, Article II, shall be based upon the
10 elevations as described below:

11 Bench Mark Elevation - 511.84

12 Bench Mark Location - spike at the intersection of
13 South Smoketree Avenue and
South Lake Havasu Avenue

14 ARTICLE III

15 HOMEOWNERS ASSOCIATION

16 Section 1. It is recognized that at the date hereof
17 construction of all the common elements and the proposed units
18 contemplated by the recorded subdivision map referred to in Article
19 II above, have not been completed, and that the Homeowners
20 Association envisioned herein is not operative. In order that said
21 Units be constructed and sold, and said Common Areas be installed
22 and protected, and that said Association become stabilized and
23 operational in the support and promotion of the objectives of this
24 Declaration. The Declarant, hereafter referred to as "Developer",
25 hereby reserves unto itself, at its option, the sole and exclusive
26 right to manage the affairs of the Homeowners Association. The

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1 Developer shall have the sole and exclusive right to make contracts
2 or agreements on behalf of the Association for maintenance of
3 Common Area and operation of the Association and do all other
4 things as authorized by this Declaration.

5 Section 2. XANADU LAKE RESORT CONDOMINIUMS, INC., a
6 non-profit corporation organized under and by virtue of the laws of
7 the State of Arizona governing non-profit corporations shall accept
8 responsibility for and provide such necessary and appropriate
9 action for the proper maintenance, repair, replacement, operation,
10 management, beautification and improvement of that certain property
11 and improvements including the water and sewer system, to be used
12 in common by and for the benefit of the Owners of Units constructed
13 on said properties.

14 Section 3. Within One Hundred Twenty (120) days after
15 Seventy-Five Percent (75%) of the Units have been conveyed to the
16 purchasers thereof, or at the earlier option of the Developer
17 transfer of control of the Homeowners Association to unit Owners
18 will be accomplished.

19 Until such time as Seventy-Five Percent (75%) of the
20 Units in the above described properties have been conveyed to the
21 purchasers thereof, all right, discretion, power and authority
22 herein granted to said Homeowners Association and said Unit Owners
23 through said Homeowners Association, including the right to collect
24 assessments (excepting reserves for replacement) shall, at the
25 option of the Developer remain with the Developer directly or
26 through said Homeowners Association. Developer may use said

1 assessments for maintenance of the common area. Capital
2 improvements or additions to the general common elements may be
3 achieved by an affirmative vote of the Association and said
4 improvements or additions will be installed by the Developer, and
5 the Developer shall prorate such costs to each Owner and collect
6 such costs as if it were an assessment as provided for herein, upon
7 sale of not less than Seventy-Five Percent (75%) of said Units.

8 Section 4. Procedure for transfer of control of
9 Homeowners Association will be as follows:

10 (a) The Developer shall notify the Owner of each
11 occupied Unit that the Board of Directors of the Homeowners
12 Association has resigned effective Thirty (30) days after date of
13 notice.

14 (b) Delivery of the Homeowners Association corporate
15 minute and seal, if any, to any one of the Owners of record
16 receiving such notice, or committee organized for such purpose.

17 There shall be no outstanding or accrued debts
18 against the Association at the time of assumption of control by the
19 Owners. Beginning with the date of control of the Association by
20 the Owners, the Developer, shall not be assessed for each unit
21 available for habitation or not available for habitation but not
22 sold.

23 Section 1. Owner's Easement of Enjoyment. Every Owner
24 shall have the right and easement of enjoyment in and to the Common
25 Areas which shall be appurtenant to every Unit subject to the
26 following provisions:

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1 (a) The right of the Association to charge reasonable
2 admission and other fees for the use of any recreational facility
3 situated upon the Common Area;

4 (b) The right of the Association to suspend voting
5 rights and rights to use of the recreational facilities by an Owner
6 for any period during which any assessment against his Unit remains
7 unpaid; and for a period not to exceed Sixty (60) days for any
8 infraction of this Declaration;

9 (c) The right of the Association to dedicate or transfer
10 all or any part of the Common Area to any public agency, authority,
11 or utility, for such purposes and subject to such conditions as may
12 be agreed to by Two-Thirds (2/3) of the Owners agreeing to such
13 dedication or transfer,

14 (d) The right to the Declarant (and its sales agents and
15 representatives) to the non-exclusive use of the Common Area and
16 the facilities thereof, for display and exhibit purposes in
17 connection with the sale of Units which right Declarant hereby
18 reserves. No such use by Declarant or its sales agents or
19 representatives shall otherwise restrict the Members in their use
20 and enjoyment of the Common Area and facilities thereon;

21 (e) The right of the Association to limit the number of
22 guests or members;

23 (f) The right of the Association to establish uniform
24 rules or regulations pertaining to the use of the Common Areas and
25 the recreational facilities thereon;

26

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1 (g) The right of the Association in accordance with its
2 Articles and Bylaws to borrow money for the purpose of improving
3 the Common Area and facilities thereon.

4 Section 2. Delegation of Use. Any Owner may delegate,
5 in accordance with this Declaration, his right of enjoyment to the
6 Common Area and facilities to the members of his family, his
7 tenants, or to a reasonable number of his guests or invitees. Said
8 number shall be as determined from time to time by the Board of
9 Directors.

10 ARTICLE V

11 MEMBERSHIP AND VOTING RIGHTS

12 Section 1. Membership. Every Owner of a Unit which is
13 subject to the covenants or record to assessment shall be a member
14 of the Association. Membership shall be appurtenant to and may not
15 be separate from ownership of any Unit or living unit which is
16 subject to assessment. The rights and obligations of an Owner and
17 membership in the Association shall not be assigned, transferred,
18 pledged, conveyed, or alienated in any way except upon transfer of
19 ownership to such Unit, or by intestate succession, testamentary
20 disposition, foreclosure of a mortgage of record, or such other
21 legal process that is now in effect or as may hereafter be
22 established under or pursuant to the laws of the State of Arizona.
23 Any attempt to make a prohibited transfer shall be void. Any
24 transfer of ownership shall operate to transfer said membership to
25 the new Owner, and a reasonable charge may be assessed by the
26 Association for each such transfer.

1 Section 2. Voting Rights. All Owners shall be entitled
2 to One (1) vote for each Unit owned. When more than one person
3 holds an interest, all such persons shall become Members. The vote
4 for such Unit shall be exercised as they among themselves
5 determine, but in no event shall more than one vote be cast with
6 respect to any Unit, and fractional votes shall not be allowed. In
7 the event more than One (1) vote is cast for a particular Unit,
8 none of the votes shall be counted and said votes shall be deemed
9 void. The Declarant/Developer shall retain voting rights for units
10 remaining unsold at the time control of the Homeowners Association
11 passes to unit purchasers until such time the units are sold and
12 conveyed to the owner. Notwithstanding any of the provisions of
13 this section, Declarant/Developer shall at all times be entitled to
14 three votes for each unit owned by Declarant/Developer,
15 Irrespective of whether or not said unit is occupied or wholly
16 completed.

17 ARTICLE VI

18 COVENANT FOR MAINTENANCE ASSESSMENTS

19 Section 1. PERSONAL OBLIGATION OF ASSESSMENTS. Each
20 Owner of a Unit, except as provided by Article III, Section 3
21 hereof, by acceptance of a deed therefor, whether or not it shall
22 be so expressed in such deed, is deemed to covenant and agree to
23 pay to the Association: (1) annual assessments or charges, and
24 (2) special assessments for capital improvements, such assessments
25 to be established and collected as provided in the Articles and
26 Bylaws. The annual and special assessments, late payment

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1 penalties, if any, together with interest thereon, and reasonable
2 attorney's fees and costs of collection thereof, shall be a
3 continuing lien on the Unit and the Common Areas as created by this
4 Declaration. Each such assessment, together with interest, costs,
5 reasonable attorney's fees and costs of collection, shall also be
6 the personal obligation of the person who was the Owner of such
7 Unit at the time when the assessment fell due. The personal
8 obligations for delinquent assessments shall not pass to successor
9 in title unless expressly assumed by them or required by law.

10 Section 2. PURPOSE OF ASSESSMENTS. The assessments
11 levied by the Association shall be used to promote the recreation,
12 health, safety, and welfare of all Owners, for the improvement and
13 maintenance of the Common Areas, and for all purposes set forth in
14 the Articles, including but not limited to, management fees,
15 insurance premiums unless otherwise provided for, expenses for
16 maintenance, repairs and replacements of Common Areas, reserves for
17 contingencies, taxes, common property metered and other utilities
18 for the Common Areas.

19 (a) By appropriate action the Homeowners Association
20 will establish and maintain in a separate, segregated account, an
21 adequate reserve fund for the periodic maintenance, repair and
22 replacement of the improvements to the common area and those
23 limited common areas which the Homeowners Association may be
24 required to maintain. Those funds shall be maintained out of the
25 regular assessments for common expenses.

1 (b) The Homeowners Association shall establish a working
2 capital fund for the initial months of the project's operation
3 equal to at least Two (2) months estimated common area charge for
4 each unit. Each owner's share of this fund must be collected and
5 transferred to the Homeowners Association at the time of closing of
6 the sale of each unit and shall be maintained in a segregated
7 account for the use and benefit of the Homeowners Association. In
8 addition, the contribution to the working capital fund of each
9 unsold unit shall be paid to the Association within Sixty (60) days
10 after the date of conveyance of the first unit in the legal phase
11 of project. The above amounts paid into the fund are not to be
12 considered as advance payment of the regular monthly assessment.

13 Section 3. UNIFORM RATE OF ASSESSMENT. Due to the
14 unequal and irregular common exterior of the individual Units, both
15 annual and special assessments must be fixed at a proportionately
16 uniform rate for all Units as heretofore originally established
17 and may be collected on a monthly, quarterly, or annual basis.

18 Section 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS.
19 The annual assessments shall commence as to all units upon the
20 first day of the month following the conveyance to an Owner, except
21 as provided in Article III, Section 4. The first annual assessment
22 shall be adjusted according to the number of months remaining in
23 the calendar year. The Board shall fix the amount of the annual
24 assessment against each unit at least Thirty (30) days in advance
25 of each annual assessment period. Written notice of the annual
26

1 assessments shall be sent to every owner subject thereto. The due
2 dates shall be established by the Board of Directors.

3 Section 5. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS.

4 In addition to the annual assessments authorized above, the
5 Association may levy, in any assessment year, a special assessment
6 applicable to that year only for the purpose of defraying, in whole
7 or in part, the cost of any construction, reconstruction, repair or
8 replacement of a capital improvement upon the Common Area,
9 including fixtures and personal property related thereto, provided
10 that any such assessment shall have the assent of two-thirds (2/3)
11 of the votes of members who are voting in person or by proxy at a
12 meeting duly called for this purpose.

13 Section 6. MAXIMUM ANNUAL ASSESSMENTS. The maintenance
14 assessments, having been established before all landscaping and
15 other common facilities were installed, is a reasonable estimate
16 based upon conditions existing at the time of levy. At a later
17 date actual maintenance procedures may reveal that increasing costs
18 of labor, material, and other services will create a deficit in the
19 Association. Therefore, the maximum annual assessment shall be as
20 follows:

21 (a) From and after January 1984, the maximum annual
22 assessment for the following units shall be ONE THOUSAND TWENTY
23 DOLLARS (\$1,020.00):

24	B1-B5	C1-C5
	B8-B10	C8-C10
25	B13-B16	C13-C16
	B19-B21	C19-C21
26	B24-B26	C24-C26
	B29-B30	C30-C31
	B33-B34	C33-C34

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1 (b) From and after January 1984, the maximum annual
2 assessment for the following units shall be ONE THOUSAND TWO
3 HUNDRED DOLLARS (\$1,200.00):

4	B6	C6
	B7	C7
5	B11	C11
	B12	C12
6	B17	C17
	B18	C18
7	B22	C22
	B23	C23
8	B27	C27

9 (c) From and after January 1984, the minimum annual
10 assessment for the following units shall be ONE THOUSAND EIGHTY
11 DOLLARS (\$1,080.00):

12	A9	A15
	A10	B28
13	A11	B31
	A13	C32
14	A14	

15 (d) From and after January 1984, the minimum annual
16 assessments for units A1-A7 inclusive shall be TEN DOLLARS
17 (\$10.00).

18 There shall be no assessments for units A12, B32,
19 C28 and C29.

20 (e) From and after January 1, 1985, the maximum annual
21 assessment may be increased each year up to Ten Percent (10%) above
22 the maximum assessment for the previous year without vote of the
23 membership.

24 (f) From and after January 1, 1985, the maximum annual
25 assessment may be increased above Ten Percent (10%) by a vote of
26 Two-Thirds (2/3) of all members duly called for this purpose.

1 Section 7. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED

2 UNDER SECTIONS 5 AND 6. Written notice of any meeting called for
3 the purpose of taking any action authorized under Sections 5 and 6
4 shall be sent to all members not less than Thirty (30) days nor
5 more than Sixty (60) days in advance of the meeting. At the first
6 such meeting called, the presence of members or of proxies entitled
7 to cast Sixty Percent (60%) of all votes of the membership shall
8 constitute a quorum. If the required quorum is not present,
9 another meeting may be called subject to the same notice
10 requirement, and the required quorum at the subsequent meeting
11 shall be One-half (1/2) of the required quorum at the preceding
12 meeting. No such subsequent meeting shall be held more than Sixty
13 (60) days following the preceding meeting.

14 Section 8. EFFECT OF NONPAYMENT OF ASSESSMENTS.

15 REMEDIES OF THE ASSOCIATION. Any assessment not paid within Thirty
16 (30) days after the due date shall bear interest from the due date
17 at the rate of Eighteen Percent (18%) per annum. The Association
18 may bring an action at law against the Owner personally obligated
19 to pay the same, or foreclose the lien against the property. No
20 Owner may waive or otherwise escape liability for the assessments
21 provided for herein by non-use of the Common Area or abandonment of
22 his Unit.

23 Section 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The

24 lien of the assessments provided for herein shall be subordinate to
25 the lien of any first mortgage. Sale or transfer of any Unit shall
26 not affect the assessment lien. However, the sale or transfer of

1 any Unit pursuant to mortgage foreclosure or any proceedings in
2 lieu thereof, shall extinguish the lien of such assessments as to
3 payments which become due prior to such sale or transfer. No sale
4 or transfer shall relieve such Condominium Unit from liability for
5 any assessments thereafter becoming due or from the lien thereof.

6 Section 10. RIGHTS OF ELIGIBLE MORTGAGE HOLDERS AND
7 ELIGIBLE INSURERS OR GUARANTORS. Upon written request to the
8 Homeowners, identifying the name and address of the holder, insurer
9 or guarantor and the unit number or address, such eligible mortgage
10 holder, insurer or guarantor shall be entitled to timely written
11 notice of; any condemnation loss or casualty loss which affects a
12 material portion of the project or any unit on which there is a
13 first mortgage held, insured or guaranteed; any delinquency in the
14 payment of assessments or charges owed by an Owner of a unit
15 subject to a first mortgage held, insured or guaranteed, which
16 remains unsecured for a period of sixty (60) days; any lapse,
17 cancellation or material modification of any insurance policy or
18 fidelity bond maintained by the Homeowners Association; any
19 proposed action which would require the consent of a specified
20 percentage of eligible mortgage holders as outlined below:

21 (1) Other Provisions for Eligible Mortgage Holders: To
22 the extent permitted by applicable law, eligible mortgage holders
23 shall also be afforded the following rights:

24 (a) Any restoration or repair of the project, after a
25 partial condemnation or damage due to an insurable hazard, shall be
26 performed substantially in accordance with the declaration and the

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1 original plans and specifications, unless other action is approved
2 by eligible holders holding mortgages on unit estates which have at
3 least Fifty-One Percent (51%) of the votes of unit estates subject
4 to eligible holder mortgages.

5 (b) Any election to terminate the legal status of the
6 project after substantial destruction or a substantial taking in
7 condemnation of the project property must require the approval of
8 eligible holders holding mortgages on unit estates which have at
9 least Fifty-One Percent (51%) of the votes of unit estates subject
10 to eligible holder mortgages.

11 (c) Unless the formulas for reallocation of interest in
12 the common area after a partial condemnation or partial destruction
13 of a condominium project is fixed in advance by the constituent
14 documents or by applicable law, or reallocation of interest in the
15 common areas resulting from a partial condemnation or partial
16 destruction of such a project may be effected without the prior
17 approval of eligible holders holding mortgages on all remaining
18 unit estates whether existing whole or in part, and which have at
19 least Fifty-One Percent (51%) of the votes of such remaining unit
20 estates subject to eligible holder mortgaged.

21 (d) When professional management has been previously
22 required by an eligible mortgage holder or eligible insurer or
23 guarantor, whether such entity became an eligible mortgage holder
24 or eligible insurer or guarantor at that time or later, any
25 decision to establish self management by the Owners Association
26 shall require the prior consent of Owners of Unit estates to which

1 at least Sixty-Seven Percent (67%) of the votes in the Owners
2 Association are allocated and the approval of eligible holders
3 mortgages on unit estates which have at least Fifty-One Percent
4 (51%) of the votes of unit estates subject to eligible holder
5 mortgages.

6 2. AMENDMENT OF DOCUMENTS. The following provisions do
7 not apply to amendments to the constituent documents or termination
8 of the condominium regime made as a result of destruction, damage
9 or condemnation pursuant to the above, or to reallocation of
10 interests in the common area which might occur pursuant to any plan
11 of expansion or phased development contained in the documents.

12 (a) The consent of Owners of unit estates to which at
13 least Sixty-Seven Percent (67%) of the votes in the Owners
14 Association are allocated and the approval of eligible holders
15 holding mortgages on unit estates which have at least Sixty-Seven
16 Percent (67%) of the votes of unit estates subject to eligible
17 holder mortgages, shall be required to terminate the legal status
18 of the project as a condominium project.

19 (b) The consent of the Owners of unit estates to which
20 at least Sixty-Seven Percent (67%) of the votes in the Owners
21 Association are allocated and the approval of eligible holders
22 holding mortgages on unit estates which have at least Fifty-One
23 Percent (51%) of the votes of unit estates subject to eligible
24 holder mortgages, shall be required to add or amend any material

- 1 provisions of the constituent documents of the project, which
2 establish, provide for or regulate any of the following:
- 3 1. Voting;
 - 4 2. Assessments, assessment liens or subordination
5 of such liens;
 - 6 3. Reserves for maintenance, repair and replacement
7 of the common areas (or units if applicable);
 - 8 4. Insurance for Fidelity Bonds;
 - 9 5. Rights to use of the common areas;
 - 10 6. Responsibility for maintenance and repair of the
11 several portions of the project;
 - 12 7. Expansion or contraction of the project or the
13 addition, annexation or withdrawal of property
14 to or from the project;
 - 15 8. Boundaries of any unit;
 - 16 9. The interests in the general or limited common
17 areas;
 - 18 10. Convertibility of units into common areas or of
19 common areas into units;
 - 20 11. Leasing of unit estates;
 - 21 12. Imposition of any right of first refusal or
22 similar restriction on the right of a unit
23 estate owner to sell, transfer, or otherwise
24 convey his or her unit estate;
 - 25 13. Any provisions which are for the express benefit
26 of mortgage holders, eligible mortgage holders
or eligible insurers or guarantors of first
mortgages on unit estates.

(c) Any additional or amendment to such documents shall
not be considered material if it is for the purpose of correcting
technical errors, or for clarification only. The constituent
documents may provide that an eligible mortgage holder who receives

1 a written request to approve additions or amendments who does not
2 deliver or post to the requesting party a negative response within
3 Thirty (30) days shall be deemed to have approved such request.

4 ARTICLE VII

5 ARCHITECTURAL CONTROL

6 Section 1. ARCHITECTURAL APPROVAL. No building, fence,
7 wall or other structure shall be commenced, erected or maintained
8 upon the properties, nor shall any exterior addition to or change
9 alteration therein be made until the plans and specifications
10 showing the nature, kind, shape, height, materials and location of
11 the same shall have been submitted to and approved in writing as to
12 harmony of external design and location in relation to surrounding
13 structure and topography by the Board of Directors of the
14 Association, or by an Architectural Committee appointed by the
15 Board. In the event said Board, or its designated committee, fails
16 to approve or disapprove such design and location within Thirty
17 (30) days after said plans and specifications have been submitted
18 to it, approval will not be required and this Article will be
19 deemed to have been fully complied with.

20 Section 2. COMMITTEE COMPOSITION. The Architectural
21 Committee shall consist of Three (3) regular members and Two (2)
22 alternate members. None of such members shall be required to be an
23 architect or to meet any other particular qualification for
24 membership. A member need not be, but may be, a member of the
25 Board or an officer of the Association. In the event of the
26

1 absence or disability of one or two of the regular members of said
2 committee, the remaining regular member or members, even though
3 less than a quorum, may designate either or both of the alternate
4 members to act as substitutes for the absent or disabled regular
5 member or members for the duration of such absence or disability.

6 Section 3. ARCHITECTURAL COMMITTEE RULES. The
7 Architectural Committee may, from time to time, and in its sole and
8 absolute discretion, adopt, amend, and repeal, by unanimous vote or
9 written consent, rules and regulations, to be known as
10 "Architectural Committee Rules". Said rules shall interpret and
11 implement this Declaration by setting forth the standards and
12 procedures for Architectural Committee review and the guidelines
13 for architectural design, placement of buildings, landscaping,
14 color schemes, exterior finishes and materials and similar features
15 which are recommended for use in the project.

16 ARTICLE VIII

17 COMMON WALLS

18 Section 1. The rights and duties of Owners with respect
19 to Common Walls shall be as follows:

20 (a) The Owners of continuous Units who have a Common
21 Wall or Walls shall both equally have the right to use such wall or
22 walls provided that such use by one Owner does not interfere with
23 the use and enjoyment of same by the other Owner.

24 (b) In the event that any Common Wall or walls are
25 damaged or destroyed through the act of an Owner or any of his
26 agents or guests or members of his family (whether or not such act

1 is negligent or otherwise culpable), it shall be the obligation of
2 such Owner to rebuild and repair the Common Wall or walls without
3 cost to the other adjoining Owner or Owners.

4 (c) In the event any such Common Wall or walls are
5 destroyed or damaged (including deterioration from ordinary wear
6 and tear and lapse of time), other than by the act of an adjoining
7 Owner, his agents, guests or family, it shall be the obligation of
8 the Association to rebuild and repair such wall or walls.

9 (d) Notwithstanding anything to the contrary herein
10 contained, there shall be no impairment of the structural integrity
11 of any Common Wall or walls without the prior consent of the Board.

12 (e) In the event of the dispute between Owners with
13 respect to the construction, repair or rebuilding of a Common Wall
14 or walls, or with respect to the bearing of the cost thereof, the
15 Owners shall submit the dispute to the Board, the decision of which
16 shall be final and binding on all Owners.

17 ARTICLE IX

18 REPAIR AND MAINTENANCE

19 Section 1. BY OWNER. Each owner of a unit shall
20 maintain, repair, replace, and restore at his own expense all
21 portions of the Condominium, and such maintenance, repair,
22 replacement or restoration shall be subject to control and approval
23 of the Association. No Owner shall remove, alter, injure, or
24 interfere with any shrubs, trees, grass or plantings placed upon
25 any Property by Declarant or the Association without first
26 obtaining the written consent of the Association.

1 Section 2. BY THE ASSOCIATION. The Association shall
2 have full power and control and it shall be its duty to maintain,
3 repair and make necessary improvements to and pay for out of the
4 maintenance fund to be provided, all Common Areas and the
5 improvements thereon, and all private roadways, street, parking
6 areas, walks and other means of ingress and egress within the
7 project. This shall include the exterior portions of the
8 Units except glass surfaces, and the building (except for the
9 Units); the land upon which the building is located; the airspace
10 above the building all bearing walls, columns, floors, roofs,
11 slabs, foundations, storage spaces, balconies, lobbies, front
12 doors, arcadia and/or sliding glass doors; all waste, water, sewer,
13 and gas pipes, ducts, shoots, conduits, wires, and all other
14 utility installations of the building, wherever located, except the
15 outlets thereof when located within the Unit. The Association
16 shall further be empowered with the right and duty to periodically
17 inspect all Common Areas in order that minimum standards of repair,
18 design, color and landscaping shall be maintained for beauty,
19 harmony and conservation within the entire project. The Board
20 shall be the sole judge as to the appropriate maintenance of the
21 Common Areas.

22 Section 3. GENERAL MAINTENANCE. In the event that the
23 Association determines that an improvement or the Common Areas are
24 in need of repair, restoration or painting, or that the
25 landscaping is in need of installation, repair, or restoration, the
26 Association shall undertake to remedy such condition and the cost

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1 thereof shall be charged to the Owners and shall be subject to
2 levy, enforcement and collection by the Association in accordance
3 with the assessment lien procedure provided for in this
4 Declaration. The Association shall have a limited right of entry
5 in and upon all Common Areas as defined above and the exterior of
6 all Units for the purpose of taking whatever corrective action may
7 be deemed necessary or proper by the Association. Nothing in this
8 Article shall in any manner limit the right of the Owner to
9 exclusive control over the interior of his Unit. Provided,
10 however, that an Owner shall grant the right of entry therein to
11 the Association or any other person or other Owner or Owners, or
12 their authorized representatives, in case of any emergency
13 originating in or threatening his Unit, whether the Owner is
14 present or not, when so required to enter his Unit for the
15 purpose of performing installation, alterations or repair to the
16 mechanical or electrical services, including water, sewer, and
17 other utility services, provided that reasonable requests for entry
18 are made and that such entry is at a time reasonably convenient to
19 the Owner whose Apartment is to be entered. In case of an
20 emergency such right of entry shall be immediate without the
21 necessity for a request having to be made.

22 Section 4. REPAIR NECESSITATED BY OWNER. In the event
23 that the Association determines that the Common Areas are in need
24 of improvement, repair, restoration or painting, or that the
25 landscaping is in need of installation, repair, or restoration
26 which has been caused by an Owner, or any person designated by the

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1 Owner, then the Association shall give written notice to the Owner
2 of the conditions complained of. Unless the Board has approved in
3 writing corrective plans proposed by the Owner to remedy the
4 condition complained of within such reasonable period of time as
5 may be determined by the Board after said written notice is first
6 given, and such corrective work so approved is completed thereafter
7 within the time allotted by the Board, the Association shall
8 undertake to remedy such conditions or violation complained of.
9 The cost thereof shall be deemed to be an assessment to such Owner
10 and his unit and subject to levy, enforcement and collection
11 provided for in the Articles or Bylaws. The Association shall have
12 the same right of entry in and upon all Common Areas and a Unit as
13 defined.

14 The Board shall have the sole right to determine whether
15 any such costs expended by the Association were related to General
16 Maintenance or were Repairs Necessitated by an Owner, and the
17 determination of same shall be binding and final as to an Owner.

18 ARTICLE X

19 EASEMENTS

20 Section 1. BLANKET EASEMENT FOR UTILITIES. There is
21 hereby created a blanket easement upon, across, over, and under to
22 common areas for ingress, egress, installation, replacing,
23 repairing and maintaining all utility and service lines and
24 systems, including, but not limited to, water, sewers, gas,
25 telephones, electricity, television cable or communication lines
26 and systems, etc. By virtue of this easement, it shall be

1 expressly permissible for the providing of utility or service
2 company or the Association or their agent to install and maintain
3 facilities and equipment on said Property and to affix and maintain
4 wires, circuits and conduits on, in and under the roofs and
5 exterior walls of any building. Notwithstanding anything to the
6 contrary contained in this paragraph, no sewers, electrical lines,
7 water lines, or other utilities or service lines may be installed
8 or relocated on said Property except as initially designed and
9 installed or thereafter approved by the Board. This easement shall
10 in no way affect any other recorded easements on said Property.
11 This easement shall be limited to improvements as originally
12 constructed. There shall be an access easement to all buildings
13 for the delivery and collection of the United States mail.

14 Section 2. ENCROACHMENT. Each Unit shall be subject to
15 an easement for encroachments created by construction, settling and
16 overhands, as designed or constructed. A valid easement for said
17 encroachments and for the maintenance of same, so long as it
18 stands, shall and does exist. In the event a building is partially
19 or totally destroyed, and then rebuilt, the Owners agree that minor
20 encroachments on parts of the adjacent residence due to
21 construction shall be permitted and that a valid easement for said
22 encroachment and the maintenance thereof shall exist.

23 ARTICLE XI

24 GENERAL PROVISIONS

25 Section 1. ENFORCEMENT. The Association, or any Owner,
26 shall have the right to enforce, by any proceeding at Law or in

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1 equity, all restrictions, conditions, covenants, reservations,
2 liens and charges now or hereafter imposed by the provisions of
3 this Declaration. Failure by the Association or by any Owner to
4 enforce any covenant or restriction herein contained shall in no
5 event be deemed a waiver of the right to do so thereafter.

6 Section 2. SEVERABILITY. Invalidation of any one of
7 these covenants or restrictions by judgment or court order shall in
8 no way affect any other provisions which shall remain in full force
9 and effect.

10 Section 3. AMENDMENT. The covenants and restrictions of
11 this Declaration shall run with and bind the Units and Common
12 Areas, for the term of Twenty (20) years from the date this
13 Declaration is recorded, after which time they shall be
14 automatically extended for successive periods of Ten (10) years.
15 This Declaration may be amended during the first Twenty (20) year
16 period by an instrument signed by not less than Seventy Percent
17 (70%) of the Unit Owners, and thereafter by an instrument signed by
18 not less than a majority of the Unit Owners. Any amendments must
19 be recorded.

20 Section 4. VIOLATION OF LAW. Any violation of any
21 state, municipal or local law, ordinances or regulations,
22 pertaining to the ownership, occupation or use of any property is
23 hereby declared to be in violation of this Declaration and subject
24 to any or all of the enforcement procedures set forth herein.

25 Section 5. INSURANCE. The Board, or its duly authorized
26 agent, shall have the authority and is required to obtain, maintain

1 and pay the premiums, as a common expense, upon a Master or Blanket
2 type policy of property insurance covering all the general common
3 elements and limited common elements (except land, foundations,
4 excavation, etc.) including fixtures and building service equipment
5 to the extent that they are part of the common elements of the
6 condominium along with common personal property and supplies and
7 other common personal property belonging to the Homeowners
8 Association, against loss or damage by fire and/or other hazards,
9 in an amount sufficient to cover One Hundred Percent (100%) of the
10 replacement cost of hazards.

11 The Board, or its duly authorized agent, shall also
12 obtain a broad form public liability policy covering all general
13 and limited common areas, for all damage or injury caused by the
14 negligence of the Homeowners Association and/or any of its agents
15 in any amount of not less than \$1,000,000.00 bodily injury or
16 death and property damage per occurrence.

17 The Board, or its duly authorized agents, shall have the
18 authority to and is required to obtain, maintain and pay the
19 premiums, or a common expense, a Blanket Fidelity Bond for all
20 officers, directors, trustees and employees of the Homeowners
21 Association and all other persons handling or responsible for funds
22 of or administered by the Homeowners Association.

23 In the event the Homeowners Association has delegated any
24 or all of its responsibility for handling of funds to a management
25 agent/agency, such bonds are also required for its officers,

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1 directors, employees and/or agents handling or responsible for
2 funds of, or administered on behalf of the Homeowners Association.

3 The total amount of the fidelity bond coverage shall not
4 be less than an estimated maximum amount of funds, including
5 reserve funds in the custody of the Homeowners Association and/or
6 the management agent at any given time during the term of the bond.
7 In no event may the amount be less than a sum equal to three months
8 aggregate assessments on all units plus reserve funds.

9 All insurance policies obtained and maintained by the
10 Homeowners Association and/or its duly authorized agent shall
11 follow and adhere to the guidelines set forth in Part VIII, Section
12 803.07 HNMA Conventional Home Mortgage Selling Contract Supplement,
13 current issues, as amended.

14 Section 6. ASSOCIATION RULES. By a majority vote of the
15 Board, the Association may, from time to time, and subject to the
16 provisions of this Declaration, adopt, amend and repeal rules and
17 regulations to be known as the "Association Rules". The
18 Association Rules may restrict and govern the use of any areas by
19 any Owner, by the family of such Owner, or by an invitee, licensee
20 or lessee of such owner; provided however that the Association
21 Rules may not discriminate among Owners and shall not be
22 inconsistent with this Declaration, the Articles or Bylaws. A copy
23 of the Association Rules as they may from time to time be adopted,
24 amended, or repealed, shall be mailed or otherwise delivered to
25 each Owner and may be recorded. Upon such adoption said Rules

1 shall have the same force and effect as if they were set forth in
2 and were a part of the Declaration.

3 Section 7. AD VALOREM TAXATION. Each Unit shall be
4 assessed separately for all taxes, or other charges of or imposed
5 by the State of Arizona, political subdivisions or other taxing or
6 assessing authority. For purposes of such assessment, the
7 calculation of the Common Areas shall be apportioned among the
8 Owners based upon the fractional interest assigned to each of them
9 by the provisions of Article II, Section 2 hereof. The Board shall
10 furnish to the County Assessor or other responsible official of
11 any such taxing or assessing authority all necessary information
12 with respect to the apportionment of such assessments, and shall
13 request that each Unit be carried on the tax records as a separate
14 and distinct parcel of property. No forfeiture or sale of any Unit
15 for delinquent taxes, assessments or other governmental charges
16 shall divest or in any way affect the title to any other Unit.

17 Section 8. INTERPRETATION. The provision of this
18 Declaration shall be liberally construed to effectuate its purpose
19 of creating a uniform plan for the use of the Property as a
20 residential community and for the maintenance of the Common Areas.
21 The article and second headings have been inserted for convenience
22 only, and shall not be considered or referred to in resolving
23 questions or interpreting or in construction.

24 IN WITNESS WHEREOF, FIRST AMERICAN TITLE INSURANCE
25 COMPANY OF ARIZONA, an Arizona corporation, Trustee, has caused its
26 corporate name to be signed and its corporate seal to be affixed to

WACHTEL, BIEHN & MALM
ATTORNEYS AT LAW
1240 MCCULLOCH BOULEVARD
LAKE HAVASU CITY,
ARIZONA 86403
TELEPHONE 935-6110

EXHIBIT "A"

Lot Four (II), Block 1, TRACT 2296, LAKE HAVASU CITY, ARIZONA,
according to the plat thereof, recorded August 21, 1972 as Rec. No. 72-16656,
in the office of the Recorder of Mohave County, Arizona.

EXCEPT all oil, gas, coal and minerals whatsoever already found, or which
may hereafter be found, upon or under said lands, as reserved in Deed
recorded in Book 79 of Deeds, Page 461.

EXCEPTING therefrom all underground water in, under or flowing through said
land and water rights appurtenant thereto.

THIS PAGE WILL NOT REPRODUCE SATISFACTORILY

BOOK 993 PAGE 898

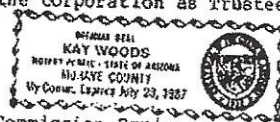
1 the undersigned officer thereunto duly authorized this 27th day
2 of January, 1984.

3
4 FIRST AMERICAN TITLE INSURANCE
5 COMPANY OF ARIZONA, an Arizona
6 corporation, as Trustee and not
7 personally

8 By J. L. Pederson

9 STATE OF ARIZONA)
10 COUNTY OF MOHAVE)SS:

11 Before me this 27th day of January, 1984,
12 personally appeared J. L. Pederson, who
13 acknowledged himself to be an Assistant Trust Officer of FIRST AMERICAN TITLE
14 INSURANCE COMPANY OF ARIZONA, an Arizona corporation, and that he,
15 as such officer, being authorized so to do executed the foregoing
16 instrument for the purposes therein contained by signing the name
17 of the corporation as Trustee, by himself as such officer.



Kay Woods
Notary Public

My Commission Expires: _____

XANADU LAKE HOMEOWNERS ASSOCIATION
P.O. BOX 2550
LAKE HAVASU CITY, AZ 86405-2550
(602) 453-6044

60E
Randolph Bartlett, Atty
1937 McCulloch Blvd Ste 106
PNC 172 86403

This letter is to inform you that at our last general meeting, Oct. 1991, the members voted to amend the following article of the CC&R's:
Article VI, Section 4 (D) page 25 lines 18 & 19- Book 993 Page 881
There shall be no assessments for units A-12, B-32, C-28, & C-29

The amendment shall read as the follows:

From & after January 1992 there shall be a fair assessment assigned to units A-12, B-32, C-28, & C-29.
Units A-12 & B-32 are like units A-10, A-11, A-13, A-14, A-15, B-28, & B-31 and shall be assessed in a like manner.
Units C-28 & C-29 are like units and shall be assessed at the maximum annual assessment of two hundred forty dollars (\$240.00).
All units will be subject to increases as per CC&R's Article VI, Section 4 (E-F) page 25 line 20 - 28 - Book 993 Page 881.

Sincerely,

Shannon Frakes
Shannon Frakes

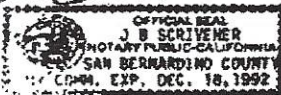
President Xanadu Lake Home Owners Association



3

INDEXED

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OFFICIAL RECORDS OF MOHAVE COUNTY AZ.
JOAN McALL, MOHAVE COUNTY RECORDER
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RANDOLPH A. BARTLETT, P.C.
RECORDING FEE 64.00



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6

5

MICROFILMED



892- 13739 BK 2021 PG 633
OFFICIAL RECORDS OF MOHAVE COUNTY AZ.
JOAN McALL, MOHAVE COUNTY RECORDER
03/18/92 8:00 A.M. PAGE 1 OF 3
XANADU LAKE HOMEOWNERS ASSN
RECORDING FEE 10.00

As you will note, the first three (3) pages were previously recorded on March 18, 1992, and they are now being forwarded for re-recording, with the additional 57 pages to be recorded immediately thereafter.