

COPY

BYLAWS OF

PECOS VILLAS HAVASU II, INC.

ARTICLE I

PLAN OF APARTMENT OWNERSHIP

Section One: Apartment Ownership: The project located on Pecos Villas Havasu II Condominium, according to the plat of record in the office of the County Recorder of Mohave County, Arizona recorded May 11, 1981, as Fee No. 81-16234, is submitted to the provisions of A.R.S. 33-551 et seq.

Section Two: Bylaws Applicability. The provisions of these bylaws are applicable to the project. (The term "project" as used herein shall include the land.)

Section Three: Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulation set forth in these bylaws and to the Declaration of Horizontal Property Regime Together With Covenants, Conditions and Restrictions.

The mere acquisition or rental of any of the family units, herein referred to as units, of the project or the mere act of occupancy of any of the units will signify that these bylaws and provisions of the regulatory agreement are accepted, ratified and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section One: Voting: Voting shall be on a one vote per unit.

Section Two: Majority of Owners: As used in these bylaws the term "majority of owners" shall mean those owners holding fifty-one percent (51%) of the votes in accordance with the preceding paragraph of this article.

1
2 Section Three: Quorum: Except as otherwise provided in
3 these bylaws, the presence in person or by proxy of a "majority of
4 owners" as defined in the preceding paragraph of this article shall
5 constitute a quorum.

6 Section Four: Proxies: Votes may be cast in person or by
7 proxy. Proxies must be filed with the secretary before the
8 appointed time of each meeting.

9 ARTICLE III

10 ADMINISTRATION

11 Section One: Association Responsibilities: The owners of
12 the units will constitute the Pecos Villas Havasu II, Inc., herein-
13 after referred to as Association, who will have the responsibility
14 of administering the project, approving the annual budget, establish-
15 ing and collecting monthly assessments, and arranging for the manage-
16 ment of the project pursuant to an agreement containing provisions
17 relating to the duties, obligations, removal and compensation of
18 the management agent. Except as otherwise provided, decisions and
19 resolutions of association shall require approval of a majority
20 of owners.

21 Section Two: Place of Meetings: Meetings of Association
22 shall be held at the principal office of the project or such other
23 suitable place convenient to the owners as may be designated by
24 the board of directors.

25 Section Three: Annual Meetings: The first annual meeting
26 of the Association shall be held on November 1, 1981. Thereafter,
27 annual meetings shall be held on the first Monday of November of
28 each succeeding year. At such meetings there shall be elected by
29 ballot a board of directors in accordance with the requirements of
30 Section Five of Article IV of these bylaws. The owners may also
31 transact such other business of Association as may properly come
32 before them.

1 Section Four: Special Meetings: It shall be the duty of
2 the president to call a special meeting of the owners as directed by
3 resolution of the board of directors or on a petition signed by
4 a majority of the owners and having been presented to the secretary,
5 or at the request of the Federal Housing Commissioner or his duly
6 authorized representative. No business shall be transacted at a
7 special meeting except as stated in the notice, unless by consent
8 of four-fifths of the owners present, either in person or by proxy.

9 Section Five: Notice of Meetings: It shall be the duty of
10 the secretary to mail a notice of each annual or special meeting,
11 stating the purpose thereof as well as the time and place of the
12 meeting, to each owner of record, at least five, but not more than
13 10 days prior to such meeting. The mailing of notice in the
14 manner provided in this section shall be considered notice served.
15 Notices of all meetings shall be mailed to the director of the
16 local insuring office of the Federal Housing Administration.

17 Section Six: Adjourned Meetings: If any meeting of owners
18 cannot be organized because a quorum has not attended, the owners
19 who are present either in person or by proxy may adjourn the
20 meeting to a time not less than 48 hours from the time the original
21 meeting was called.

22 Section Seven: Order of Business: The order of business
23 at all association meetings shall be as follows:

- 24 (a) Roll call.
25 (b) Proof of notice of meeting or waiver of notices.
26 (c) Reading of minutes of preceding meeting.
27 (d) Reports of officers.
28 (e) Report of Federal Housing Administration representa-
29 tive, if present.
30 (f) Report of committees.
31 (g) Election of inspectors of election.
32 (h) Election of directors.

1 (i) Unfinished business.

2 (j) New business.

3 ARTICLE IV

4 BOARD OF DIRECTORS

5 Section One: Number and Qualification: Association's
6 affairs shall be governed by a board of directors composed of
7 three, five or seven persons, with the initial board of directors
8 to consist of five directors, all of which must be owners of
9 units in the project.

10 Section Two: Powers and Duties: The board of directors
11 shall have the powers and duties necessary for the administration of
12 Association's affairs and may do all such acts and things as are
13 not by law or by these bylaws directed to be exercised and done by
14 the owners.

15 Section Three: Other Duties: In addition to duties
16 imposed by these bylaws or by resolutions of Association, the board
17 of directors shall be responsible for the following:

- 18 (a) Care, upkeep and surveillance of the project and
19 common areas and facilities and the restricted
20 common areas and facilities.
21 (b) Collection of monthly assessments from the owners.
22 (c) Designation and dismissal of the personnel necessary
23 for the maintenance and operation of the project,
24 the common areas and facilities, and the restricted
25 common areas and facilities.

26 Section Four: Management Agent: The board of directors
27 may employ for Association a management agent at a compensation
28 established by the board to perform such duties and services as the
29 board shall authorize, including, but not limited to, the duties
30 listed in Section Three of this article.

31 Section Five: Election and Term of Office: At the first
32 annual meeting of Association, the term of office of two directors
shall be fixed at two years, and the term of office of one director

1 shall be fixed at one year. At the expiration of the initial term
2 of office of each respective director, his successor shall be electe
3 to serve a term of three years. The directors shall hold office
4 until their successors have been elected and hold their first meetin

5 Section Six: Vacancies: Vacancies in the board of
6 directors caused by any reason other than the removal of a director
7 by a vote of Association shall be filled by vote of the majority
8 of the remaining directors, even though they may constitute less
9 than a quorum; and each person so elected shall be a director until
10 a successor is elected at Association's next annual meeting.

11 Section Seven: Removal of Directors: At any regular or
12 special meeting duly called, any one or more of the directors may
13 be removed with or without cause by a majority of the owners, and
14 a successor may then and there be elected to fill the vacancy thus
15 created. Any director whose removal has been proposed by the
16 owners shall be given an opportunity to be heard at the meeting.

17 Section Eight: Organization Meeting: The first meeting of
18 the newly elected board of directors shall be held within 10 days
19 of election at such place as shall be fixed by the directors at
20 the meeting at which such directors were elected, and no notice
21 shall be necessary to the newly elected directors in order legally
22 to constitute such meeting, provided a majority of the whole board
23 shall be present.

24 Section Nine: Regular Meetings: Regular meetings of the
25 board of directors may be held at such time and place as shall be
26 determined, from time to time, by a majority of the directors, but
27 at least two such meetings shall be held during each fiscal year.
28 Notice of regular meetings of the board of directors shall be given
29 to each director, personally or by mail, telephone, or telegraph,
30 at least three days prior to the day named for such meeting.

31 Section Ten: Special Meetings. Special meetings of the boar
32 of directors may be called by the president on three days notice

1 to each director, given personally or by mail, telephone, or
2 telegraph, which notice shall state the time, place (as hereinabove
3 provided), and purpose of the meeting. Special meetings of the
4 board of directors shall be called by the president or secretary
5 in like manner and on like notice on the written request of at
6 least three directors.

7 Section Eleven: Waiver of Notice: Before or at any
8 meeting of the board of directors, any director may, in writing,
9 waive notice of such meeting and such waiver shall be deemed equi-
10 valent to the giving of such notice. Attendance by a director at
11 any meeting of the board shall be a waiver of notice by him of the
12 time and place thereof. If all the directors are present at any
13 meeting of the board, no notice shall be required and any business
14 may be transacted at such meeting.

15 Section Twelve: Board of Director's Quorum: At all
16 meetings of the board of directors, a majority of the directors
17 shall constitute a quorum for the transaction of business, and the
18 acts of the quorum shall be the acts of the board of directors. If,
19 at any meeting of the board of directors, there be less than a quorum
20 present, the members present may adjourn the meeting from time to
21 time. At any such meeting, any business that might have been
22 transacted at the meeting as originally called may be transacted
23 without further notice.

24 Section Thirteen: Fidelity Bonds: The board of directors
25 shall require that all officers and employees of Association
26 handling or responsible for Association funds shall furnish adequate
27 fidelity bonds. The premiums of such bonds shall be paid by the
28 Association.

29 ARTICLE V

30 OFFICERS

31 Section One: Designation: The principal officers of
32 Association shall be a president, a vice-president, a secretary,

1 and a treasurer, all of whom shall be elected by and from the
2 board of directors. The directors may appoint an assistant treasure
3 and an assistant secretary, and such other officers as in their
4 judgment may be necessary.

5 Section Two: Election of Officers: The officers of
6 Association shall be elected annually by the board of directors at
7 the organization meeting of each new board and shall hold office
8 at the pleasure of the board.

9 Section Three: Removal of Officers: On an affirmative
10 vote of a majority of the members of the board of directors, any
11 officer may be removed, either with or without cause, and his
12 successor elected at any regular meeting of the board of directors,
13 or at any spcial meeting of the board called for such purpose.

14 Section Four: President: The president shall be the
15 chief executive officer of the Association. He shall preside at
16 all meetings of the Association and of the board of directors. He
17 shall have all of the general powers and duties that are usually
18 vested in the office of the president of an Association, including
19 but not limited to the power to appoint committees from among the
20 owners from time to time as he may in his discretion decide is
21 appropriate to assist in the conduct of Association's affair.

22 Section Five: Vice-President: The vice-president shall
23 take the place of the president and perform his duties whenever the
24 president shall be absent or unable to act. If neither the presi-
25 dent nor the vice-president is able to act, the board of directors
26 shall appoint some other member of the board to do so on an interim
27 basis. The vice-president shall also perform such other duties as
28 shall from time to time be imposed on him by the board of directors.

29 Section Six: Secretary: The secretary shall keep the
30 minutes of all meetings of the board of directors and the minutes
31 of all meetings of association; he shall have charge of such books
32 and papers as the board of directors may direct; and he shall, in

1 general, perform all the duties incident to the office of secretary.
2 Section Seven: Treasurer: The treasurer shall have
3 responsibility for association funds and securities and shall be
4 responsible for keeping full and accurate accounts of all receipts
5 and disbursements in books belonging to association. He shall be
6 responsible for the deposit of all moneys and other valuable
7 effects in the name, and to the credit of, association in such
8 depositories as may from time to time be designated by the
9 board of directors.

10 ARTICLE VI

11 OBLIGATIONS OF THE OWNERS

12 Section One: Assessments: All owners are obligated to pay
13 monthly assessments imposed by Association to meet all project
14 communal expenses, which may include a liability insurance policy
15 premium and an insurance premium for a policy to cover repair and
16 reconstruction work in case of hurricane, fire, earthquake or
17 other hazard. The assessments shall be made for each unit owned.
18 Such assessments shall include monthly payments to a general
19 operating reserve and a reserve fund for replacements.

20 Section Two: Maintenance and Repair:

- 21 (a) Every owner must perform promptly all maintenance and
22 repair work within his own unit, which, if omitted,
23 would affect the project in its entirety or in a part
24 belonging to other owners, being expressly responsible
for the damages and liabilities that his failure
to do so may engender.
- 25 (b) All the repairs of internal installations of the unit
26 such as water, light, gas, power, sewage, telephones,
27 air conditioners, sanitary installations, doors,
windows, lamps, and all other accessories belonging
to the unit area shall be at the owner's expense.
- 28 (c) An owner shall reimburse Association for any expend-
29 itures incurred in repairing or replacing any common
area and facility damages through his fault.

30 Section Three: Use of Family Units - Internal Changes:

- 31 (a) All units shall be utilized for residential purposes
only.
- 32 (b) An owner shall not make structural modifications or

1 alterations in his unit or installations located therein
2 without previously notifying Association in writing,
3 management agent, if any, or president of the board
4 of directors, if no management agent is employed. The
5 Association shall have the obligation to answer within
6 sixty days, and failure to do so within the stipulated
7 time shall mean that there is no objection to the
8 proposed modification or alteration.

9
10
11 Section Four: Use of Common Areas and Facilities and
12 Restricted Common Areas and Facilities:

- 13 (a) An owner shall not place or cause to be placed in the
14 lobbies, vestibules, stairways, and other project
15 areas and facilities of a similar nature both common
16 and restricted, any furniture, packages or objects
17 of any kind. Such areas shall be used for no other
18 purpose than for normal transit through them.

19 Section Five: Right of Entry:

- 20 (a) An owner shall grant the right of entry to the manage-
21 ment agent or to any other person authorized by the
22 board of directors or Association in case of any emer-
23 gency originating in or threatening his unit, whether
24 the owner is present at the time or not.
- 25 (b) An owner shall permit other owners, or their representa-
26 tives, when so required, to enter his unit for the
27 purpose of installing, altering or repairing the
28 mechanical or electrical services, provided that
29 requests for entry are made in advance and that such
30 entry is at a time convenient to the owner. In case
31 of an emergency, such right of entry shall be
32 immediate.

Section Six: Rules of Conduct:

- 20 (a) No resident of the project shall post any advertise-
21 ments or posters of any kind in or on the project
22 except as authorized by Association.
- 23 (b) Residents shall exercise extreme care in making noises
24 or using musical instruments, radios, televisions and
25 amplifiers that may disturb other residents. Keeping
26 of domestic animals will be in accordance with the
27 Municipal Sanitary Regulations.
- 28 (c) Hanging of garments, rugs, and the like from the
29 windows or from any of the facades of the project
30 is prohibited.
- 31 (d) Dusting and shaking out of rugs and the like, from
32 the windows or from any of the facades of the project
is prohibited.
- (e) No owner, resident, or lessee shall install wiring
for electrical or telephone installations, television
antennae, machines
like, on the exterior of the project or that protrude
through the walls or the roof of the project except
as authorized by Association.

- 1 (f) Throwing of garbage or trash outside the disposal
2 installations provided for such purposes in the
3 service area is prohibited.

4 ARTICLE VII

5 AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

6 Section One: Bylaws: These bylaws may be amended by Assoc-
7 iation in a duly constituted meeting for such purpose, and no
8 amendment shall take effect unless approved by owners representing
9 at least sixty-six and two-thirds percent (66-2/3%) of the total
10 number of all units in the project.

11 ARTICLE VIII

12 MORTGAGEES

13 Section One: Notice to Association: An owner who mortgages
14 his unit shall notify Association through the management agent, if
15 any, or the president of the board of directors in the event there
16 is no management agent, the name and address of his mortgagee; and
17 the Association shall maintain such information in a book entitled
18 "Mortgagees of Unit".

19 Section Two: Notice of Unpaid Assessments: The Association
20 shall at the request of a mortgagee of a unit report any unpaid
21 assessments due from the owner of such unit.

22 ARTICLE IX

23 COMPLIANCE

24 These bylaws are set forth to comply with the requirements
25 of A.R.S. 33-552 et seq. In case any of these bylaws conflict with
26 the provisions of that statute, it is hereby agreed and accepted
27 that the provisions of the statute will apply.

28
29 Secretary

30 APPROVED:

31
32 Chairman

HARVEY R. JACKSON
ATTORNEY AT LAW
115 MCCULLOCH BLVD
SUITE A
TAVASU CITY, AZ 86403

PROOFED

INDEXED MISCELLANEOUS

FEE # 81-16235

Recorded at the Request of _____

STATE TITLE

on MAY 11 1981 - 2 55 PM

In Book 713 of OFFICIAL RECORDS,

Page(s) 148-176

Records of Mohave County, Arizona.

Joan McCall

Mohave County Recorder

By [Signature]
Deputy



BOOK 713 PAGE 176

1 DECLARATION OF HORIZONTAL PROPERTY REGIME
2 TOGETHER WITH
3 COVENANTS, CONDITIONS, AND RESTRICTIONS
4

5 This Declaration, made this 8th day of MAY,
6 1981, by SUPERIOR DEVELOPERS, INC., a Nevada corporation authorized
7 to do business in the state of Arizona, hereinafter referred to
8 as Declarant.

9 WITNESSETH:

10 WHEREAS, the Declarant is the owner of the following
11 described real property, to-wit:

12 PECOS VILLAS NAVASU II CONDOMINIUM, according to the
13 plat of record in the office of the County Recorder
14 of Mohave County, Arizona, recorded May 1981, at
15 Fee No. 81-

16 EXCEPT all oil, gas and minerals whatsoever already found
17 or which may hereafter be found in or under said land
18 and all underground water in, under or flowing through
19 said land and water rights appurtenant thereto, as
20 reserved in Deed recorded in Books 671 of Official
21 Records, pages 319, 320, 323 and 326.

22 EXCEPT an undivided 1/16th of all oil, gases and other
23 hydrocarbon substances, coal or stone, metals minerals
24 fossils and fertilizer of every name and description,
25 together with all uranium, thorium or any other material
26 which is or may be determined by the Laws of the United
27 States, the State of Arizona or decisions of courts
28 to be peculiarly essential to the production of fis-
29 sionalbe materials, whether or not of commercial value,
30 as reserved by the State of Arizona, in Section 37-231,
31 Arizona Revised Statutes and in Patent of Record.

32 EXCEPT all oil, gas, coal and other material minerals
in said land below a depth of 500 feet from the surface,
as set forth in instrument recorded in Book 305 of
Official Records, page 104.

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SUITE A
LANE NAVASU CITY, AZ 86403

BOOK 713 PAGE 148

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

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

12 NOW THEREFORE, Declarant declares that said real property
13 is and shall be held, transferred, sold, conveyed and occupied
14 subject to the covenants, conditions, restrictions, easements,
15 charges and liens, all of which shall run with the land, and
16 shall apply to and be binding upon all parties having or acquiring
17 any right, title or interest in said property or any part thereof,
18 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) "Apartment" shall mean a separate freehold estate,
25 consisting of an airspace defined as follows: The boundaries of
26 each subh Apartment are as follows:

27 (i) The lower horizontal boundary for units Nos.
28 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, and 27 is the
29 surface of the ground floor thereof. The lower horizontal
30 boundary for unit Nos. 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22,
31 24, 26, and 28 is the upper surface of the wooden floor thereof.
32 The lower horizontal boundary for the patio area of units 1, 3

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1 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, and 27 is the surface of
2 the concrete patio slab. The lower horizontal boundary for the
3 balcony area for unit Nos. 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22,
4 24, 26, and 28 is the upper surface of the wooden floor thereof.

5 (ii) The upper horizontal boundary is a horizontal
6 plane, the elevation of which coincides with the elevation of the
7 surface of the finished ceiling or ceilings thereof, and in the
8 case of patio areas, or balcony areas, is the horizontal plane which
9 is the extension of the elevation of any surface of the finished
10 ceiling or ceilings thereof.

11 (iii) The lateral boundaries are the interior surfaces
12 of the perimeter walls, windows and doors thereof and vertical planes
13 coincidental with the interior surfaces of the perimeter walls
14 thereof, and in the case of second floor units, the vertical planes
15 coincidental with the outer surface of the vertical 24" x 36" utility
16 chase, extended upward to intersect the upper horizontal boundary,
17 and in the case of patio areas lateral boundaries are the vertical
18 planes coincidental with the perimeters of the concrete patio slab,
19 and in the case of balconies are the vertical planes coincidental
20 with the perimeters of the balcony floor and coincidental with the
21 exterior surfaces of the perimeter walls, windows and doors thereof.

22 (iv) Each Apartment includes the surfaces so
23 described, and the portions of the building and improvements lying
24 within said boundaries. Each such Apartment shall also include
25 the heating and air conditioning unit or units, ranges, garbage
26 disposal units, and other household appliances lying within said
27 boundaries and/or appurtenant areas.

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

30 (vi) Each Apartment shall include airspace
31 denominated as parking, and the airspace for each parking space
32 shall consist of airspace for which the upper horizontal boundary

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1 is the surface of the ceiling thereof, and the lateral boundaries
2 of which are vertical planes coincidental with the perimeters of
3 the concrete floor for each parking space.

4 The following are not part of an Apartment: Bearing
5 walls, columns, vertical supports, roofs, floors, cement slabs,
6 foundations, external stairs, pipes, ducts, flues, garage doors,
7 central motor heating systems, private drives, front doors, arcades
8 and/or sliding glass doors, conduits, wires and other utility
9 installations, wherever located, except the outlets thereof when
10 located within the Apartment. In interpreting deeds, plats, decla-
11 rations, and plans, the existing physical boundaries of an Apartment
12 or an Apartment reconstructed in substantial accordance with the
13 original plans thereof shall be conclusively presumed to be its
14 boundaries rather than the description expressed in the deed, plat,
15 plan or declaration, regardless of settling or lateral movement of
16 the building, and regardless of minor variances between the boundaries
17 as shown on the plan or in the deed and declaration and those of
18 the building. Each Apartment in each building, as the case may be,
19 shall be deemed to be a separate and distinct Apartment.

20 (b) "Association" shall mean and refer to PECOS VILLAS
21 HAVASU II, INC., an Arizona nonprofit corporation, its successors
22 and assigns, formed as an entity through which the owners may act,
23 in accordance with the Arizona Revised Statutes, Sections 33-551.1
24 to 33.561 (1962).

25 (c) "The Properties" shall mean and refer to all
26 such existing properties as are subject to this Declaration.

27 (d) "Member" shall mean any person, corporation,
28 partnership, joint venture or other legal entity who is an
29 owner provided for herein.

30 (e) "Owner(s)" shall mean and refer to the record
31 owner, whether one or more persons or entities, of equitable
32 or beneficial title (or legal title if same has merged) of

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SUITE A
LAKE HAVASU CITY, AZ 86403

1 any Apartment. "Owner" shall include the purchased under an
2 executory contract for the sale of the real property. The
3 foregoing does not include persons or entities who hold an
4 interest in any Apartment merely as security for the performance
5 of an obligation. Except as stated otherwise herein "Owner"
6 shall not include a lessee or tenant of an Apartment. For the
7 purposes of Article VI only, unless the contest otherwise
8 required, "Owner" shall also include the family, invitees,
9 licensees, and lessees of any Owner, together with any other
10 person or parties holding any possession interest granted by
11 such owner of any Apartment.

12 (f) "Board" shall mean the Board of Directors of
13 the Association.

14 (g) "Bylaws" shall mean the Bylaws of the Association
15 as such Bylaws may be amended from time to time.

16 (h) "Declarant" shall mean Superior Developers, Inc.,
17 a Nevada corporation, including its successors and assigns.

18 (i) "Declaration" shall mean this entire document,
19 as same from time to time may be amended.

20 (j) "Common Area", sometimes referred to as "Common
21 Facilities", shall mean the entire properties except Apartment
22 as defined in (a) above.

23 (k) "Unoccupied" with reference to any Apartment or
24 Apartments shall mean any Apartment that has been constructed
25 but not yet conveyed by Declarant.

26 (l) "Common wall" shall mean the wall or walls which
27 shall separate contiguous Apartments.

28 ARTICLE II

29 DECLARATION OF HORIZONTAL PROPERTY REGIME

30 Section 1. PROPERTY SUBJECT TO THIS DECLARATION:

31 Declarant is the owner of the real property which is, and shall

32

HARVEY H. JACKSON
ATTORNEY AT LAW
1010 MCCULLOCH BLVD.
SUITE A
LAKE HAVASU CITY, AZ 86403

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1 be held, transferred, sold, conveyed and occupied subject to
2 this Declaration, which is located in Mohave County, Arizona and
3 is more particularly described as follows:

4 PECOS VILLAS HAVASU II CONDOMINIUM, according to the
5 plat of record in the office of the County Recorder
6 of Mohave County, Arizona, recorded May 1981, at
7 Fee No. 81-

8 EXCEPT all oil, gas and minerals whatsoever already found
9 or which may hereafter be found in or under said land
10 and all underground water in, under or flowing through
11 said land and water rights appurtenant thereto, as
12 reserved in Deed recorded in Books 671 of Official
13 Records, pages 319, 320, 323 and 326.

14 EXCEPT an undivided 1/16th of all oil, gases and other
15 hydrocarbon substances, coal or stone, metals minerals
16 fossils and fertilizer of every name and description,
17 together with all uranium, thorium or any other material
18 which is or may be determined by the Laws of the United
19 States, the State of Arizona or decisions of courts
20 to be peculiarly essential to the production of fis-
21 sionable materials, whether or not of commercial value,
22 as reserved by the State of Arizona, in Section 37-231,
23 Arizona Revised Statutes and in Patent of Record.

24 EXCEPT all oil, gas, coal and other material minerals
25 in said land below a depth of 500 feet from the surface,
26 as set forth in instrument recorded in Book 305 of
27 Official Records, page 104.

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

Section 3. DESCRIPTION OF PROJECT:

(a) DESCRIPTION OF THE LAND. The land shall be
as described in the recorded plat referred to in Article II,
Section 1.

(b) DESCRIPTION OF THE SPACE OF THE BUILDING.
Seven (7) buildings of four (4) apartments each, together with
one (1) covered parking space per apartment.

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(c) DESCRIPTION OF THE SPACE OF APARTMENT. The

Horizontal Property Regime shall be composed of TWENTY-EIGHT (28) apartments together with one covered parking space per apartment.

Each Apartment shall be identified numerically as 1 through 28 as shown on the recorded plat. The cubic content space of each Apartment and adjacent complements so designated and subject to individual ownership and exclusive control is as more fully set forth and described in the aforesaid recorded plat.

(d) DESCRIPTION OF GENERAL COMMON ELEMENTS. The

general common elements shall include all of said property referred to in Section 1 above, including the land upon which the Apartments are located, the buildings, all bearing walls, columns, floors, roofs, slabs, external stairs, all recreational facilities, swimming pools, pumps, landscaping, pavements, private drives, front doors, arcadias and/or glass sliding doors, all waste, water and gas pipes, ducts, chutes, conduits, wires, drainage lines, other utility and installation lines, the foundations of the Apartments, the foundations of the buildings, and all other devices and premises designed for common use or enjoyment by more than one owner or owners of a single Apartment, all as is more fully set forth and described herein and in the said recorded plat, and except for an Apartment as defined, and except for the outlets of utilities when located within an Apartment, and those areas allocated for use as common parking, patio, heating and air conditioning unit, and balcony purposes, if any, and driveway, as shown on said recorded plat. The common elements shall remain undivided and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the common elements.

1 (e) FRACTIONAL INTEREST. Each Apartment shall bear
2 an undivided 1/28 fractional interest in the entire Horizontal
3 Property Regime.

4 Section 4. VERTICAL DIMENSION. All reference to
5 vertical dimensions made in this document or on the recorded
6 map referred to in Section 1, Article II, shall be based upon
7 the elevations as described below:

8 Bench Mark elevation - 543.34 feet

9 Spike - "Mark X" on the sewer manhole rim
10 approximately 10 feet east of the project
11 in the Lake Havasu Avenue right-of-way,
12 in line with the southern most boundary
13 of Lot 15, if extended toward Lake Havasu
14 Avenue.

15 ARTICLE III

16 HOMEOWNERS ASSOCIATION

17 Section 1. It is recognized that at the date hereof
18 construction of all the common elements and the proposed dwelling
19 units contemplated by the recorded subdivision may referred to in
20 Article II above, have not been completed, and that the Homeowners
21 Association envisioned herein is not operative. In order that
22 said Apartments be constructed and sold, the said Common Areas
23 be installed and protected, and that the said Association becomes
24 stabilized and operational in the support and promotion of the
25 objectives of this Declaration, SUPERIOR DEVELOPERS, INC., hereby
26 reserve unto themselves, at their option, the sole and exclusive
27 right to manage the affairs of the Homeowners Association.
28 SUPERIOR DEVELOPERS, INC., shall have the sole and exclusive
29 right to make contracts or agreements on behalf of the Association
30 for maintenance of Common Areas and Operation of the Association,
31 and do all things as authorized by this Declaration.

32 Section 2. PECOS VILLAS HAVASU II, INC., a non-profit
corporation organized under and by virtue of the laws of the
State of Arizona governing non-profit corporation shall accept

1 responsibility for and provide such necessary and appropriate
2 action for the proper maintenance, repair, replacement, operation,
3 managements, beautification and improvement of that certain
4 property and improvements to be used in common by and for the
5 benefit of the owners of apartments constructed on said properties.

6 Section 3. Until such time as Nineteen (19) of the
7 Apartments in the above described properties have been conveyed
8 to the purchasers thereof, all right, discretion, power and
9 authority herein granted to said Homeowners Association and
10 said Apartment owners through said Homeowners Association, including
11 the right to collect assessments (excepting reserves for replace-
12 ment) shall, at the option of SUPERIOR DEVELOPERS, INC.,
13 remain with SUPERIOR DEVELOPERS, INC., directly or through
14 said Homeowners Association. Capital improvements or additions
15 to the general common elements may be achieved by an affirmative
16 vote said improvements and/or additions will be installed by
17 SUPERIOR DEVELOPERS, INC.

18 SUPERIOR DEVELOPERS, INC., shall prorate such costs
19 to each owner and collect such costs as if it were an assessment
20 as provided for herein. Upon sale of not less than Nineteen (19)
21 of said Apartments, or unless earlier required by SUPERIOR
22 DEVELOPERS, INC., all such rights, discretion, power and authority
23 shall be assumed by the Apartment owners who are then members
24 of the Homeowners Association, through their Officers and Directors
25 who shall be duly elected at such time.

26 Section 4. Until such time as Nineteen (19) of the
27 Apartments have been conveyed or transferred from SUPERIOR
28 DEVELOPERS, INC., or the Trustee to the purchasers thereof,
29 neither SUPERIOR DEVELOPERS, INC., or the Trustee shall be liable
30 for any assessment referred to herein for any unoccupied
31 apartments. In lieu of payment of such assessment, SUPERIOR
32 DEVELOPERS, INC., shall assume responsibility for month-to-month

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1 maintenance, repair, the management of Common Elements adjacent to
2 any unoccupied apartments until such time control of the Associa-
3 tion is assumed by the owners of occupied Apartments. For purposes
4 of this paragraph assumption of control of the Association is
5 defined as having passed conclusively to the owners collectively
6 upon completion of the following requirements:

7 (a) SUPERIOR DEVELOPERS, INC., shall notify the owner
8 of each occupied Apartment that SUPERIOR DEVELOPERS, INC., have
9 relinquished control of the Homeowners Association effective
10 Thirty (30) days after date of notice.

11 (b) Delivery of the Homeowners Association corporate
12 minutes and seal, if any, to any one of the owners of record
13 receiving such notice, or committee organized for such purpose.

14 There shall be no outstanding or accrued debts against
15 the Association at the time of assumption of control by the owners.
16 Beginning with the date of control of the Association by the
17 owners, SUPERIOR DEVELOPERS, INC., or their successors, shall at
18 no time be responsible for any assessment against Apartments or
19 land not available for habitation or available for habitation but
20 unsold.

21 ARTICLE IV

22 PROPERTY RIGHTS

23 Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every
24 Owner shall have a right and easement of enjoyment in and to
25 the Common Areas which shall be appurtenant to and shall pass
26 with the title to every Apartment subject to the following
27 provisions:

28 (a) The Association shall have the right to charge
29 reasonable admission and other fees for the use of any recreational
30 facility situated upon the Common Areas;

31 (b) The Association shall have the right to suspend
32 voting rights and right to use of the recreational facilities

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1 by an Owner for any period during which any assessment against
2 his Apartment or living unit remains unpaid; and for a period
3 not to exceed Sixty (60) days for any infraction of this
4 Declaration;

5 (c) The Association shall have the right to dedicate
6 or transfer all or any part of the Common Areas to any public
7 agency authority, or utility, for such purposes and subject
8 to such conditions as may be agreed by Two-thirds (2/3) of
9 the Owners agreeing to such dedication or transfer.

10 (d) SUPERIOR DEVELOPERS, INC., shall have the right
11 (including their sales agents and/or representatives) to the non-
12 exclusive use of the Common Area and the facilities thereof, for
13 display and exhibit purposes in connection with the sale of
14 Apartments which right Declarant hereby reserves. No such use by
15 SUPERIOR DEVELOPERS, INC., of their sales agents or representatives
16 shall otherwise restrict the Members of their use and enjoyment of
17 the Common Areas and facilities thereon.

18 (e) The Association shall have the right to limit
19 the number of guests of members.

20 (f) The Association shall have the right to establish
21 uniform rules and regulations pertaining to the use of the
22 Common Area and the recreational facilities thereon.

23 (g) The Association shall have the right in accordance
24 with its Articles and Bylaws to borrow money for the purpose of
25 improving the Common Area and facilities thereon.

26 Section 2. DELEGATION OF USE. Any Owner may delegate,
27 in accordance with this Declaration, his right of enjoyment to
28 the Common Areas and facilities to the members of his family,
29 his tenants, or to a reasonable number of his guests or invitees,
30 said number shall be as determined from time to time by the
31 Board of Directors of the Association.

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ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP. Every Owner of an Apartment

shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Apartment or living unit which is subject to assessment. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to such Apartment, or by intestate succession, testamentary disposition, foreclosure of a mortgage or record, or such other legal process that is not in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership shall operate to transfer said membership to the new Owner, and a reasonable charge may be assessed by the Association for each such transfer.

Section 2. VOTING RIGHTS. All Owners shall be entitled

to one vote for each Apartment owned. When more than one person holds an interest, all such persons shall become Members. The vote for such Apartment shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Apartment, and fraction votes shall not be allowed. In the event more than one vote is cast for a particular Apartment, none of the votes shall be counted and said votes shall be deemed void.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. PERSONAL OBLIGATION OF ASSESSMENTS.

Each Owner of an Apartment, except as provided in Article III, Section 4 hereof, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant

1 and agree to pay to the Association: (1) annual assessments,
2 or charges, and (2) special assessments for capital improvements,
3 which assessments shall be established and collected as provided
4 in the Articles and Bylaws. The annual and special assessments,
5 late payment penalties, if any, together with interest thereon,
6 and reasonable attorney's fees and costs of collection thereof,
7 shall be a continuing lien on the Apartment and the Common Areas as
8 created by this Declaration. Each such assessment, together
9 with interest, costs, reasonable attorney's fees and costs of
10 collection, shall also be the personal obligation of the person
11 who was the Owner of such Apartment at the time when the assessment
12 fell due. The personal obligations for delinquent assessments
13 shall not pass to successors in title unless expressly assumed by
14 them.

15 Section 2. PURPOSE OF ASSESSMENTS. The assessments
16 levied by the Association shall be used to promote the recreation,
17 health, safety, and welfare of all Owners, for the improvement
18 and maintenance of the Common Areas, and for all purposes
19 set forth in the Articles, including but not limited to manage-
20 ment fees, insurance premiums unless otherwise provided for,
21 expenses for maintenance, repairs and replacements of Common Areas
22 or portions thereof, reserves for contingencies, taxes, charges
23 for water and other utilities for the Common Areas.

24 (a) By appropriate action the Association may establish
25 and maintain a reserve fund for replacements by the allocations
26 and payment monthly to such reserve fund an amount to be
27 designated from time to time by the Board of Directors. Such
28 fund shall be depository, and may be in the form of cash deposit
29 or invested in obligations of, or fully guaranteed as to principal
30 by the United States of America. The reserve fund is for
31 the purpose of effecting replacement or repair because of
32 damage, depreciation or obsolescence to Common Area elements.

1 Section 3. UNIFORM RATE OF ASSESSMENT. Both annual
2 and special assessments must be fixed at a uniform rate for
3 all Apartments and may be collected on a monthly basis or such
4 basis as the Board of Directors of the Association shall determine.

5 Section 4. DATE OF COMMENCEMENT OR ANNUAL ASSESSMENTS.

6 The annual assessments shall commence as to all units on the
7 first day of the month following the conveyance to an Owner,
8 except as provided in Article III, Section 4. The first annual
9 assessment shall be adjusted according to the number of months
10 regaining in the calendar year. The Board shall fix the amount
11 of the annual assessment against each unit at least thirty (30)
12 days in advance of each annual assessment period. Written notice
13 of the annual assessment shall be sent to every owner subject
14 thereto at the last known mailing address. The due dates shall
15 be established by the Board of Directors.

16 Section 5. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS.

17 In addition to the annual assessment authorized above, the
18 Association may levy, in any assessment year, a special assess-
19 ment applicable to that year only for the purpose of defraying,
20 in whole or in part, the cost of any construction, reconstruc-
21 tion, repair or replacement of a capital improvement upon the
22 Common Area, including fixtures and personal property related
23 thereto, provided that any such assessment shall have the
24 assent to Two-thirds (2/3) of the votes of members who are
25 voting in person or by proxy at a meeting duly called for
26 this purpose.

27 Section 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED

28 UNDER SECTION 5. Written notice of any meeting called for the
29 purpose of taking any action authorized under Section 5 shall be
30 sent to all members at the last known mailing address not less than
31 thirty (30) days nor more than sixty (60) days in advance of the
32 meeting. At the first such meeting called, the presence of members

1 or of proxies entitled to cast Sixty percent (60%) of all the votes
2 of the membership shall constitute a quorum. If the required
3 quorum is not present, another meeting may be called subject to
4 the same notice requirement, and the required quorum at the
5 subsequent meeting shall be One-half (1/2) of the required quorum
6 at the preceding meeting. No such subsequent meeting shall be
7 held more than Sixty (60) days following the preceding meeting.

8 Section 7. EFFECT OF NONPAYMENT OF ASSESSMENTS.
9 REMEDIES OF THE ASSOCIATION. Any assessment not paid within
10 Thirty (30) days after the due date shall bear interest from
11 the due date at the rate of Nine and One-half (9-1/2%) per annum,
12 simple interest. The Association may bring an action of law
13 against the Owner personally obligated to pay the same, or
14 foreclose the lien against the property. No Owner may waive
15 or otherwise escape liability for the assessments provided for
16 herein by non-use of the Common Area or abandonment of his
17 Apartment.

18 Section 8. SUBORDINATION OF THE LIEN TO MORTGAGES.
19 The lien of the assessments provided for herein shall be sub-
20 ordinate to the lien of any first mortgage. Sales or transfer of
21 any Apartment shall not affect the assessment lien. However,
22 the sale or transfer of any Apartment pursuant to mortgage fore-
23 closure or any proceeding in lieu thereof, shall extinguish the
24 lien of such assessments as to payments which became due prior
25 to such sale or transfer. No sale or transfer shall relieve such
26 Apartment from liability for any assessments thereafter becoming
27 due or from the lien thereof.

28 ARTICLE VIII

29 ARCHITECTURAL CONTROL

30 Section 1. ARCHITECTURAL APPROVAL. No building,
31 fence, wall or other structure shall be commenced, erected or
32 maintained upon the Properties, nor shall any exterior addition

1 to or change or alteration therein be made until the plans and
2 specifications showing the nature, kind, shape, heights, materials,
3 and location of the same shall have been submitted to and
4 approved in writing by the Board of Directors of the Association.

5 ARTICLE VIII

6 COMMON WALLS

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

9 (a) The Owners of contiguous Apartments who have
10 a Common Wall or Walls shall both equally have the right to
11 use such wall or walls provided that such use by one Owner
12 does not interfere with the use and enjoyment of same by the
13 other Owner.

14 (b) In the event that any Common Wall or Walls are
15 damaged or destroyed through the act of an Owner or any of his
16 agents or guests or members of his family (whether or not such
17 act is negligent or otherwise culpable), it shall be the
18 obligation of such Owner to rebuild and repair the Common Wall
19 or walls without cost to the other adjoining Owner or Owners.

20 (c) IN the event any such Common Wall or walls are
21 destroyed or damaged (including deterioration from ordinary
22 wear and tear and lapse of time), other than by the act of an
23 adjoining Owner, his agents, guests, or family, it shall be the
24 obligation of the Association to rebuild and repair such
25 wall or walls.

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

30 (e) In the event of the dispute between Owners with
31 respect to the construction, repair or rebuilding of a Common
32 Wall or walls, or with respect to the bearing of the cost

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1 thereof, the Owners shall submit the dispute to the Board, the
2 decision of which shall be final and binding on all Owners.

3 ARTICLE IX

4 REPAIR AND MAINTENANCE

5 Section 1. BY OWNER. Each Owner of an Apartment
6 shall maintain, repair, replace, and restore at his own expense
7 all portion of the Apartment(s) he shall own, and such maintenance,
8 repair, replacement or restoration shall be subject to control and
9 approval of the Association. No Owner shall remove, alter, injure,
10 or interfere with any shrubs, trees, grass or plantings placed
11 upon any Property by SUPERIOR DEVELOPERS, INC., or
12 the Association without first obtaining the written consent of
13 the Association.

14 Section 2. BY THE ASSOCIATION. The Association shall
15 have full power and control and it shall be its duty to maintain,
16 repair and make necessary improvements thereon, and all private road-
17 ways, streets, parking areas, walks and other means of ingress and
18 egress within the project. This shall include the exterior portions
19 of the Apartments except glass surfaces, and the buildings (except
20 for the Apartments); the land upon which the buildings are located;
21 the airspace above the buildings, all bearing walls, columns, floors,
22 roofs, slabs, foundations, external stairways, storage spaces,
23 balconies, lobbies, garage doors, front doors, arcadia and/or
24 sliding glass doors, all waste, water, sewer and gas pipes,
25 ducts, shoots, conduits, wires and all other utility
26 installations of the buildings, wherever located, except the
27 outlets thereof when located within the Apartments. The
28 Association is further empowered with the right and duty to
29 periodically inspect all Common Areas in order that minimum
30 standards of repair, design, color and landscaping shall be
31 maintained for beauty, harmony and conservation within the entire
32 project. The Board shall be the sole judge as to the appropriate

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1 maintenance of the Common Areas.

2 Section 3. GENERAL MAINTENANCE. In the event that
3 the Association determines that an improvement or the Common
4 Areas are in need of repair, restoration or painting, or that
5 the landscaping is in need of installation, repair or restoration,
6 the Association shall undertake to remedy such condition and
7 the cost thereof shall be charged to the Owners and shall
8 be subject to levy, enforcement and collection by the Association
9 in accordance with the assessment lien procedure provided for
10 in this Declaration. The Association shall have a limited right
11 of entry in and upon all Common Areas as defined above and the
12 exterior of all Apartments for the purpose of taking whatever
13 correction action may be deemed necessary or proper by the
14 Association. Nothing in this Article shall in any manner limit
15 the right of the Owner to exclusive control over the interior
16 of his Apartment. Provided, however, that an Owner shall grant
17 the right of entry therein to the Association or any other per-
18 son or other Owner or Owners, or their authorized representatives,
19 in case of any emergency originating in or threatening his
20 Apartment, whether the Owner is present or not, when so required
21 to enter his Apartment for the purpose of performing installa-
22 tion, alterations or repairs to the mechanical or electrical
23 services, including water, sewer, and other utility services,
24 provided that reasonable requests for entry are made and that
25 such entry is at a time reasonably convenient to the Owner whose
26 Apartment is to be entered. In case of an emergency such right
27 of entry shall be immediate without the necessity for a request
28 having to be made.

29 Section 4. REPAIR NECESSITATED BY OWNER. In the
30 event that the Association determines that the Common Areas
31 are in need of improvement, repair, restoration or painting,
32 or that the landscaping is in need of installation, repair

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

16 The Board shall have the sole right to determine
17 whether any such costs expended by the Association were related
18 to General Maintenance or were repairs necessitated by an Owner,
19 and the determination of same shall be binding and final as
20 to an Owner.

21 ARTICLE X

22 BASEMENTS

23 Section 1. BLANKET EASEMENT FOR UTILITIES. There is
24 hereby created a blanket easement upon, across, over and under
25 the common areas for ingress, egress, installation, replacing,
26 repairing and maintaining all utility and service lines, and
27 systems, including, but not limited to water, sewers, gas,
28 telephones, electricity, television cable or communication lines
29 and systems, etc. By virtue of this easement, it shall be
30 expressly permissible for the providing utility or service
31 company or the Association or their agent to install and main-
32 tain facilities and equipment on said Property and to affix and

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1 maintain wires, circuits and conduits on, in and under the roofs,
2 and exterior walls of any building. Notwithstanding anything
3 to the contrary contained in this paragraph, no sewers, elec-
4 trical lines, water lines, or other utilities or service lines
5 may be installed or relocated on said Property except as initially
6 designed and installed or thereafter approved by SUPERIOR
7 DEVELOPERS, INC., or the Board. This easement shall in no way
8 affect any other recorded easements on said Property. This
9 easement shall be limited to improvements as originally constructed.
10 There shall be an access easement to all buildings for the delivery
11 and collection of the United States mail.

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

22 ARTICLE XI

23 USE RESTRICTIONS

24 Section 1. SINGLE-FAMILY RESIDENTIAL USE. An Apart-
25 ment shall be used, improved, and devoted exclusively to Single-
26 Family Residential use. No occupation, profession, trade or
27 other non-residential use shall be conducted on any such property
28 without the approval of the Board of Directors of the Association.
29 Nothing herein shall be deemed to prevent the lease of an
30 Apartment to a single-family from time to time by the Owner
31 thereof, subject to all of the provisions of this Declaration.
32 The Board of Directors of the Association shall have the right to

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1 determine the minimum age, if any, of any permanent resident
2 and the maximum number of occupants of any Apartment.

3 Section 2. ANIMALS. No animals, birds, fowl poultry,
4 or livestock other than a reasonable number of domestic dogs,
5 cats, fish and birds in cages shall be maintained in any Apart-
6 ment and then only if they are kept therein solely as domestic
7 pets and not for commercial purposes. No animal or bird shall
8 be allowed to make an unreasonable amount of noise, or to become
9 a nuisance. No structure for the care, housing, or confinement
10 of any animal or bird shall be maintained so as to be visible
11 from a neighboring Apartment or street. Upon the written request
12 of any Owner, the Board shall conclusively determine, in its
13 sole and absolute discretion, whether, for the purpose of this
14 paragraph, a particular animal or bird is a generally recognized
15 household pet, or a nuisance, or whether the number of animals
16 or birds on any such property is reasonable. Any decision
17 rendered by the Board shall be enforceable as other restrictions
18 contained herein. The Board shall have the right to prohibit
19 maintenance of any animal or bird which constitutes, in the
20 opinion of the Board, a nuisance to any other Owner. Dogs and
21 other animals must be kept on a leash when not confined in the
22 Owner's Apartment. No Owner shall permit its dog or animal
23 to create unsanitary conditions anywhere on the common properties.

24 Section 3. ANTENNAS. No antenna or other device
25 for the transmission or reception of television or radio signals
26 or any other form of electromagnetic radiation shall be
27 erected, used or maintained outdoors on any property whether
28 attached to a building or structure or otherwise, unless approved
29 by the Board.

30 Section 4. UTILITY SERVICE. No lines, wire or
31 other devices for the communication or transmission or electric
32 current or power, including telephone, television and radio

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1 signals, shall be erected, placed or maintained anywhere in
2 or upon any property unless the same shall be contained in
3 conduits or cables installed and maintained underground or
4 concealed in, under or on buildings or other structures approved
5 by the Board. No provision hereof shall be deemed to forbid the
6 erection of temporary power or telephone structures incidental
7 to the construction of buildings or structures approved by the
8 Board.

9 Section 5. TEMPORARY OCCUPANCY. No temporary buildings
10 or structure of any kind shall be used at any time for a
11 residence on any property.

12 Section 6. TRAILERS AND MOTOR VEHICLES. Except with
13 approval of the Board, no mobile home, trailer of any kind,
14 truck camper, or permanent tent or similar structure shall be
15 kept, placed, maintained, constructed, reconstructed, or re-
16 paired, nor shall any motor vehicle be constructed, reconstruc-
17 ted or repaired, upon any Property or street (public or private)
18 in such a manner as will be visible from neighboring property.
19 No boat, trailer, recreational vehicle, camper, truck, motor-
20 cycle, motorbike, scooter, or other similar motor vehicles which
21 does not fit within the owned carport shall be parked or stored
22 on any private drive or in any part of the property. The pro-
23 visions of this paragraph shall not apply to emergency vehicle
24 repairs or temporary construction shelters or facilities main-
25 tained during, and used exclusively in connection with, the
26 construction of any improvement approved by the Board.

27 Section 7. TRASH CONTAINERS AND COLLECTION. No
28 garbage or trash shall be placed or kept on any property except
29 in covered containers of a type, size and style which are appro-
30 ved by the Board. In no event shall such containers be main-
31 tained so as to be visible from neighboring property except to
32 make the same available for collection, and then only the

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1 shortest time reasonable necessary to effect such collection.

2 Section 8. CLOTHES DRYING FACILITIES. Outside clothes-
3 lines or other outside facilities for drying or airing clothes
4 shall not be erected, placed or maintained on any property.

5 Section 9. SIGNS. No sign whatsoever (including
6 but not limited to, commercial, political and similar signs),
7 which are visible from neighboring property shall be erected
8 or maintained on any property except:

9 (a) Such signs as may be required by legal proceedings;

10 (b) Not more than one (1) residential identification
11 sign with a combined total face area of seventy-two (72) square
12 inches or less;

13 (c) During the time of construction of any building
14 or other improvement, job identification signs.

15 (d) Such signs the nature, number and location of
16 which have been approved by the Board in advance.

17 Section 10. DECLARANT'S EXEMPTION. Nothing contained
18 in this Declaration shall be constructed to prevent the erection
19 or maintenance by Declarant or its duly authorized agents, of
20 structures, improvements, or signs necessary or convenient to
21 SUPERIOR DEVELOPERS, INC., sale, operation or other
22 disposition of Property.

23 Section 11. NUISANCES. No nuisance shall be permitted
24 to exist or operation upon any property so as to be offensive
25 or detrimental to any other property in the vicinity thereof
26 or to its occupants. No rubbish or debris of any kind shall
27 be placed or permitted to accumulate upon or adjacent to prop-
28 erty and no odors shall be permitted to arise therefrom, so as
29 to render any such property or any portion thereof unsanitary,
30 unsightly, offensive or detrimental to any other property in the
31 vicinity thereof or to its occupants. No exterior speakers,
32 horns, whistles, bells or other sound devices, except security

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1 devices used exclusively for security purposes, shall be
2 located, used or placed on any such property. The Board in its
3 sole discretion shall have the right to determine the existence
4 of any nuisance.

5 Section 12. RENTING. The respective units shall
6 not be rented by the Owners thereof for transient or hotel
7 purposes, which shall be defined as (a) rental for any period
8 less than Thirty (30) days; or (b) any rental if the occupants
9 of the unit are provided customary hotel service such as room
10 service for food and beverage, maid service, furnishing laundry
11 and linen, and bellboy service. Other than the foregoing obli-
12 gations, the Owners of the respective Apartments shall have the
13 absolute right to lease same in accordance with the terms herein
14 contained, provided that said lease is made subject to the
15 covenants and restrictions contained in this Declaration and
16 further subject to the Bylaws, and Association rules. Each
17 Owner shall be responsible for compliance by said Owner's agent,
18 tenant, guest, invitee, lessee, licensee, their respective
19 servants and employees to the provisions of said Declaration,
20 Bylaws and Association rules. The Owner's failure to so ensure
21 compliance by such persons shall be grounds for the same action
22 available to the Board by reason of said Owner's own non-
23 compliance.

24 ARTICLE XII

25 GENERAL PROVISIONS

26 Section 1. ENFORCEMENT. The Association, or any
27 Owner, shall have the right to enforce, by any proceeding at
28 law or in equity, all restrictions, conditions, covenants,
29 reservations, liens and charges now or hereafter imposed by
30 the provisions of this Declaration. Failure by the Association
31 or by any Owner to enforce any covenant or restriction herein
32 contained shall in no event be deemed a waiver of the right

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1 to do so thereafter.

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

6 Section 3. AMENDMENT. The covenants and restrictions
7 of this Declaration shall run with and bind the Apartments and
8 Common Areas, for a term of Twenty (20) years from the date
9 this Declaration is recorded, after which time they shall be
10 automatically extended for a successive period of ten (10)
11 years. This Declaration may be amended during the first twenty
12 (20) year period by an instrument signed by not less than Seventy
13 percent (70%) of the Apartment Owners, and thereafter by an
14 instrument signed by not less than a majority of the Apartment
15 Owners, and further may be amended by Declarant until such
16 time as nineteen (19) of the Apartments have been conveyed to
17 the purchasers thereof.

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

23 Section 5. INSURANCE. The Board, or its duly
24 authorized agent, shall have the authority to and shall obtain
25 insurance for all the Common Areas, except contents of individual
26 Apartments, against loss or damage by fire or other hazards in
27 an amount sufficient to cover the full replacement costs of
28 any repair or reconstruction work in the event of damage or
29 destruction from all reasonable hazards. The Board, or its
30 duly authorized agent, shall also obtain a broad form public
31 liability policy covering all Common Areas, and all damage or
32 injury caused by the negligence of the Association or any of

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1 its agents. Said insurance may include coverage against
2 vandalism. All such insurance coverage obtained by the Board
3 shall be written in the name of the Association as Trustee for
4 each of the Owners. Insurance on individual Apartments will be
5 written in the name of the individual Owners as their interest
6 may appear. In addition to the aforesaid insurance required
7 to be carried by the Association, any Owner, may if he wishes,
8 at his own expense, carry any and all other insurance he deems
9 advisable. It shall be the individual responsibility of each
10 Owner at his own expense to provide, as he sees fit, personal
11 liability insurance, theft and other insurance covering personal
12 property damage and loss.

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

27 Section 7. AD VALOREM TAXATION. Each Apartment
28 and living unit shall be assessed separately for all taxes or
29 other charges of or imposed by the State of Arizona, political
30 sub-divisions, or other taxing or assessing authority. For
31 purposes of such assessment, the valuation of the Common Areas
32 shall be apportioned among the Owners based upon the fractional

1 interest assigned to each of them by the provisions of Article
2 11, Section 2, hereof. The Board shall furnish to the County
3 Assessor or other responsible official of any such taxing or
4 assessing authority all necessary information with respect to
5 the apportionment of such assessments, and shall request that
6 each Apartment be carried on the tax records as a separate
7 and distinct parcel of property. No forfeiture or sale of any
8 Apartment for delinquent taxes, assessments or other governmental
9 charges shall divest or in any way affect the title to any
10 other Apartment.

11 Section 8. INTERPRETATION. The provisions of this
12 Declaration shall be liberally construed to effectuate its
13 purpose of creating a uniform plan for the use of the Property
14 as a residential community and for the maintenance of the Common
15 Areas. The article and second headings have been inserted for
16 convenience only, and shall not be considered or referred to
17 in resolving questions or interpreting or in construction.

18 Section 9. EMERGENCY VEHICLES AND PERSONNEL. Emer-
19 gency vehicles and/or personnel have the right to access to
20 all Common Areas herein described when on the premises in
21 response to an emergency or in the abatement of a public nuisance.

22 Section 10. RESTRICTION ON FURTHER SUBDIVISION.
23 No Apartment within the property shall be further subdivided
24 or separated into smaller Apartments by an Owner, and no portion
25 less than all of any such Apartment nor any easement or other
26 interest therein, shall be conveyed or transferred by any Owner
27 without the prior written approval of the Board. Only the
28 entire Apartment, together with the improvements thereon, may
29 be rented, and then only to a single family and subject to pro-
30 visions of this Declaration.

31 IN WITNESS WHEREOF, the Superior Developers,
32 Inc. , has caused its corporate name to be signed and

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1 and its corporate seal to be affixed by the undersigned
2 officer thereunto duly authorized this 9th day of May,
3 1981.

SUPERIOR DEVELOPERS, INC.

By: Gene L. Lippincott
Gene L. Lippincott, President

Bill J. Joyner
Bill J. Joyner, Secretary

9 STATE OF ARIZONA }
10 COUNTY OF MOHAVE } SS.

11 Before me, this 9th day of May, 1981, personally
12 appeared GENE L. LIPPINCOTT, who acknowledged to me that he was the
13 President of SUPERIOR DEVELOPERS, INC., and executed the foregoing
14 Declaration of Horizontal Property Regime Together with Covenants,
15 Conditions, and Restrictions for said corporation, and acknowledged
16 that he executed same for the purposes therein expressed.

17 My Commission Expires:

18 January 25, 1985

Robert K. Rouse
Notary Public

20 STATE OF ARIZONA }
21 COUNTY OF MOHAVE } SS.

22 Before me, this 9th day of May, 1981, personally
23 appeared BILL J. JOYNER, who acknowledged to me that he was the
24 Secretary of SUPERIOR DEVELOPERS, INC., and executed the foregoing
25 Declaration of Horizontal Property Regime Together with Covenants,
26 Conditions, and Restrictions for said corporation and acknowledged
27 that he executed the same for the purposes therein expressed.

28 My Commission Expires:

29 January 25, 1985

Robert K. Rouse
Notary Public

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AMENDMENT TO DECLARATION OF

HORIZONTAL PROPERTY REGIME

TOGETHER WITH

COVENANTS, CONDITIONS AND RESTRICTIONS

WHEREAS, a Declaration of Horizontal Property Regime Together with Covenants, Conditions and Restrictions, was made May 8, 1981, by SUPERIOR DEVELOPMENTS, INC., a Nevada Corporation and further as said Declaration was recorded May 11, 1981, in Book 703 of Official Records, pages 148-176, Records of Mohave County, Arizona, on the following-described real property:

PECOS VILLAS HAVASU II CONDOMINIUM, according to the plat of record in the Office of the County Recorder of Mohave County, Arizona, recorded May 11, 1981, as Fee #81-16234; and

WHEREAS, pursuant to Article XII, Section 3, pertaining to amendment of the aforementioned Declaration of Horizontal Property Regime Together with Covenants, Conditions and Restrictions, the undersigned represent at least seventy percent (70%) of the owners of the condominium units on said property, and further that all signatures required for amendment are affixed hereto; and

WHEREAS, the undersigned hereby amend Article XI of the aforementioned Declaration, and more specifically amend Section 12 thereof to read as follows:

Section 12. Renting. The respective units may be rented for transient or hotel purposes. The owners of the respective apartments shall have the absolute right to lease same in accordance with the terms herein contained, provided that said lease is made subject to the covenants and conditions contained in this Declaration and further subject to the Bylaws, and Association Rules. Each owner shall be responsible for compliance by said owner's agent, tenant, guest, invitee, lessee, licensee, their respective servants and employees to the provisions of said Declaration, Bylaws and Association Rules. The owners' failure to so insure compliance by such persons shall be grounds for the same action available to the Board by reason of said owners' own non-compliance.