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**Amended and Restated Declaration of Covenants, Conditions and
Restrictions for Echo Canyon Property Owners Association**

**Amended and Restated Declaration of Covenants, Conditions and Restrictions
for Echo Canyon Property Owners Association**

THIS Amended and Restated Declaration of Covenants, Conditions and Restrictions for Echo Canyon Property Owners Association ("Amended and Restated Declaration") is made this 30th day of January, 2012, by Echo Canyon Property Owners ("Association") and hereby supersedes and replaces in the entirety the Association's prior Declaration of Covenants, Conditions and Restrictions for Echo Canyon Property Owners recorded on May 22, 1972 at Docket No. 9448 at Page 847; the First Amendment was recorded on July 18, 1973 at Docket No. 10227 at Page 668; the Second Amendment was recorded on November 3, 1975 at Docket No. 11402 at Page 886 the Third Amendment was recorded on June 27, 1977 at Docket No. 12289 at Page 452; and the Fourth Amendment was recorded on May 18, 2007 at Document No. 2007-0581947, records of Maricopa County, Arizona ("Declaration").

The Amended and Restated Declaration is binding on all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the properties.

Section 9.8 of the Association's Declaration of Covenants, Conditions and Restrictions requires the Association to obtain approval of seventy-five percent (75%) of the Parcels. The Association has obtained the affirmative vote of not less than seventy-five percent (75%) of the Parcels.

ECHO CANYON
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ECHO CANYON
AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Owners of the following real property situated within the County of Maricopa, State of Arizona:

Parcels 1 to 9, Inclusive, Block 1;
Parcels 1 to 9, Inclusive, Block 2;
Parcels 1 to 9, Inclusive, Block 3;
Parcels 1 to 8, Inclusive, Block 4;
Parcels 1 to 9, Inclusive, Block 5;
Parcels 1 to 9, Inclusive, Block 6;
Parcels 1 to 7, Inclusive, Block 7;
Parcels 1 to 3, Inclusive, Block 8;
Parcels 1 to 10, Inclusive, Block 9;
Parcels 1 to 8, Inclusive, Block 10;

Parcels 1 to 6, Inclusive, Block 11; and TRACTS D to M, Inclusive, and Tract S; ECHO CANYON, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 146 of Maps, page 40 thereof; desire to establish the nature of the use and enjoyment of the premises described hereinabove and to impose upon such premises mutual and beneficial restrictions under a general plan or scheme of improvement for the benefit of all lands within said premises and the future owners of the parcels described in the plat of record referred to hereinabove;

NOW, THEREFORE, the Owners hereby declare that all of the property described hereinabove is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, conditions, covenants and equitable servitudes, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of the lands, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the lands and every part thereof. All of the limitations, restrictions, conditions, covenants, and servitudes shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the above-described lands or any part thereof.

ARTICLE I
Definitions

As used herein, the following terms shall have the following meanings:

- 1.1. The "Property" means the real property described above, or any part thereof.
- 1.2. The "Plat" means the plat of record referred to above, as the same may hereafter be amended.
- 1.3. The "Subdivision" means Echo Canyon, according to the Plat.
- 1.4. "Parcel" or "Parcels" means the parcels in the Subdivision, individually or collectively, as the case may be.
- 1.5. The "Common Areas" means those areas designated and shown on the Plat as Tracts D, E, F, G, H, I, J, K, L, M, and S inclusive, individually or collectively, as the case may be.
- 1.6. The "Private Streets" means the areas designated and shown on the Plat as Tract G, including, but without limitation, those portions thereof designated for parking.
- 1.7. The "Association" means Echo Canyon Property Owners Association, an Arizona non-profit corporation.
- 1.8. "Board of Directors", also known as the "Board" means the Board of Directors of the Association, as from time to time constituted.
- 1.9. The "Articles of Incorporation" and the "Bylaws" mean the Articles of Incorporation and the Bylaws, respectively of the Association, as the same may from time to time be amended.
- 1.10. The "Rules and Regulations" means those rules and regulations which are adopted by the Board of Directors regulating the use of the Common Areas and Private Streets within the Subdivision together with other matters required in order to preserve and maintain a harmonious relationship among and between owners of Parcels in the Subdivision.
- 1.11. The "Architectural Control Committee" means the committee provided for in Article VI of this Declaration.
- 1.12. The "Owner" or "Owners" mean and refer to that person or those persons who are from time to time the owners and holders of record title to the respective Parcels, including, but without limitation, natural persons, corporations and trustees.
- 1.13. "Record", "Recorded" or "Recording" mean and have reference to a document or instrument of record in the Office of the Recorder of Maricopa County, Arizona, or the recording of a document or instrument in such office, in accordance with the requirements of the recording statutes of Arizona.
- 1.14. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Association which has been recorded in the Office of the Recorder of Maricopa County, Arizona.
- 1.15. "Association Documents" shall mean the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations of the Association.
- 1.16. "Owners eligible to vote" mean those Owners who qualify to vote under this Declaration whose voting rights have not been suspended.

ARTICLE II**Uses**

2.1. Single Family Dwellings/Business Prohibition. The Parcels are hereby restricted to high class, single family dwellings, for residential use. No gainful on-going occupation, profession, business, trade or other nonresidential use shall be conducted on or in any Parcel, provided that an Owner or any Resident may conduct limited business activities in a Dwelling Unit so long as (a) the existence or operation of the business activity is not apparent or detectible by sight, sound or smell from outside the Parcel; (b) the business activity conforms to all applicable zoning requirements; (c) the business activity does not involve door-to-door solicitation of other Owners or Residents; (d) the business activity does not generate drive-up traffic or customer, client or employee parking; and (e) the business activity is consistent with the residential character of the Property, does not constitute a nuisance or a hazardous or offensive use, and does not threaten the security or safety of other Owners or Residents, as may be determined in the sole discretion of the Board of Directors. Except as set forth above, no Parcel will ever be used, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, industrial, mercantile, commercial storage, vending, or other similar uses or purposes."

2.2. Detached Garage/Guest House. No building or structure of any kind may be erected or maintained on any Parcel separate from the residence erected thereon, excepting only one detached guest house and one detached garage, or either of the same, subject, in each case, to the approval of the Architectural Control Committee pursuant to Article VI.

2.3. Combining Parcels. Two contiguous Parcels may be combined by one Owner for purposes of building one, single family dwelling thereon, together, if such Owner so elects, with an attached or detached guest house. Construction of all such improvements shall be subject to the approval of the Architectural Control Committee as provided in Article VI hereof. In the event of any such combination, which shall be deemed to have occurred at such time as the construction of such improvements shall have been commenced, and continuing for so long as such Parcels shall be so improved by the location thereon of one, single family dwelling, together with any such guest house, such combined Parcels shall, unless otherwise specifically provided herein, be treated as a single Parcel (except with regard to payment of assessments) for all purposes of this Declaration. At such time as the improvements originally constructed on such combined Parcels, or any replacement, reconstruction or alteration thereof, shall have been completely removed therefrom, the Owner of such combined Parcels may, if he so elects, convey one or both of such Parcels, or title to one or both of such Parcels, may otherwise be transferred, following which, for all purposes of this Declaration, such formerly combined Parcels shall be treated as separate Parcels.

2.4. New Construction Only. All buildings or structures erected on the Property shall be of new construction and no buildings or structures shall be moved from other locations onto the Property.

2.5. Pets. No livestock, horses, poultry or pets shall be kept on the Property other than commonly accepted household pets permitted in accordance with the Rules and Regulations.

2.6. Advertising/For Sale and For Lease Signs/Nuisance. No advertising sign, billboard or unsightly object or nuisance shall be erected, placed or permitted to remain or exist on the Property or on any Parcel or on any vehicle on a Parcel, except for one "For Sale" sign or one "For Lease"

sign; the size of a sign offering a property for sale or for lease shall be in conformance with the industry standard size sign, which shall not exceed eighteen by twenty-four inches, and the industry standard size sign rider, which shall not exceed six by twenty-four inches; nor shall the Property be used in any way for any purpose which might endanger or unreasonably disturb the occupant or occupants of any Parcel.

2.7 Screening/Trash. All clotheslines, equipment, garbage cans, incinerators, service yards, wood piles and storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Parcels and streets. All rubbish, trash or garbage shall be removed from the Parcel and shall not be allowed to accumulate thereon or on any portion of the Property except for common waste pick-up by the City of Phoenix or other contractor selected by the Board.

2.8 Fences, Hedges, Walls. No fences, hedges or walls shall be erected or maintained upon any Parcel except such as are installed in accordance with the initial construction of the residence or other improvement located thereon or as approved by the Architectural Control Committee in the manner set forth in Article VI hereof.

2.9 Prohibited Vehicles. No buses, trailers, boats, mobile homes or vehicles, other than passenger automobiles or pick-up trucks which are under one ton in weight, shall be permitted on any of the Parcels, nor shall they be parked, except temporarily, within any of the areas of the Private Streets designated on the Plat for parking. This restriction shall not apply to authorized public or emergency vehicles, to equipment used during the course of construction, or to boats, trailers or campers stored or parked only within an enclosed garage constructed on a Parcel.

2.10 Minimum Size of Dwellings/Garages. No one-story dwelling shall be erected, permitted or maintained on any Parcel having a ground floor area of less than 1,900 square feet, exclusive of open roof areas, pergolas and attached garage. No two-story dwelling shall be erected, permitted or maintained on any Parcel having a floor area of less than 2,400 square feet, exclusive of open roof areas, pergolas and attached garage. No dwelling shall be more than 30 feet in height measured from the finished grade of the land, it being understood, however, that such restriction shall not be construed so as to prevent dwellings having several levels conforming generally to the terrain. No residence shall be constructed on any Parcel unless there is included therein an attached garage, or unless a detached garage is approved by the Association's Architectural Control Committee pursuant to Article VI. Each such garage shall be fully enclosed and shall have a ground floor area of at least 400 square feet.

2.11 Prohibited Structures. No structure of a temporary character, trailer, travel trailer, mobile home, modular house, production dwelling, camper, basement, tent, shack, barn, corral, stable or other outbuilding shall be placed or used on any Parcel at any time, except as a detached guest house and a detached garage are permitted pursuant to paragraph 2.2 hereof, and except as the parking of trailers and campers is permitted within an enclosed garage pursuant to paragraph 2.10 hereof.

2.12 Satellite Dishes and Antennas. Without the prior written approval of the Architectural Control Committee, no exterior television or radio antennas in excess of twelve feet above the roofline or any antenna in excess of 39 inches in diameter shall be placed, allowed or maintained upon any Parcel or upon any portion of the improvements to be located upon any Parcel.

ARTICLE III

Easements, Association Rights, Parking and Landscaping Improvements

3.1. Owners Right to Common Areas. Each Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to, and shall pass with the title to, each of the Parcels, subject to the following provisions:

(a) the right of the Association to charge reasonable fees for the use of any recreational facility situated upon any of the Common Areas;

(b) the right of the Association to suspend any Owner's right to make use of recreational facilities situated upon the Common Areas and the right of any Owner to vote for any period during which an assessment levied against such Owner's Parcel pursuant to Article V hereof remains unpaid, or there is any violation of the Rules and Regulations. The suspension shall not be effective until after the delivery of notice of the amount of the non-payment or the specific violation of the Rules and Regulations and such non-payment or violation continues for a period of 30 days after the receipt of such notice.;

(c) the right of the Association to grant an easement to any part of the Common Areas to any governmental entity, public agency, authority or utility for water, sewer, cable, telephone, gas, electric, provided such easement does not materially interfere with the existing use of such common area and subject to such conditions as may be agreed upon by the Board of Directors, but no such grant shall be effective unless approved by the Owners of at least two-thirds of the Parcels. Nothing herein shall prevent the Association from entering into leases to allow the installation of wireless transmission equipment after obtaining the approval of a majority of the Owner's eligible to vote.

(d) the right of the Association to dedicate that part of the Common Area at the east boundary of the Echo Canyon subdivision that is outside of the gated area, to the city of Phoenix, conditioned on its constructing separate roadway entrances to Echo Canyon Park and to the Echo Canyon subdivision. Such dedication shall be subject to such conditions as may be agreed upon by the Board of Directors, but no such grant shall be effective unless authorized by an affirmative vote of two thirds of the Parcels.

3.2. Ingress and Egress. Each Owner shall have a right and easement, for purposes of ingress and egress to and from his Parcel and to and from the Common Areas, over and across the Private Streets, except for those portions thereof designated on the Plat for parking. Such easement shall be appurtenant to and shall pass with the title to each of the Parcels.

3.3. Parking. The Owners of the Parcels within the respective blocks of the Subdivision, as shown on the Plat, shall have the right to use and occupy the areas of Tract G designated for parking within their respective blocks. Such use and occupancy shall be limited to the temporary parking of motor vehicles by such Owners, the members of their immediate families, and their guests and invitees. The rights granted in this paragraph shall extend only to the parking area situated within the same block as the applicable Parcel and shall not extend to parking areas situated within other blocks.

3.4. Owner's Delegation of Rights. The Owners may delegate, in accordance with the Rules and Regulations, their respective rights and easements granted and provided for in this Article III to the members of their respective immediate families, their guests, domestic employees, invitees and tenants or contract purchasers of the Parcel who reside thereon.

3.5. Utility Easements. By virtue of the dedication of the area shown and described on the Plat for utilities easements, it shall be permissible for the providing utility, or other company, to install, repair, replace and maintain lines, conduits, circuits, pipes and related fixtures and equipment within the areas of such easements for the purpose of furnishing utilities services to the Subdivision but all such lines, circuits, conduits, pipes and related fixtures and equipment shall be located underground to the extent possible.

3.6. Encroachments. If (a) any portions of the Common Areas or any recreational facility, building, structure, fence, hedge, wall, tree, plant, landscaping or other improvements, wholly or partially located thereon and constructed for the benefit and enjoyment of all of the Owners in common, shall actually encroach on any Parcel, or if (b) any Parcel or any building, structure, fence, hedge, wall, tree, plant, landscaping or other improvements, wholly or partially located thereon and appurtenant thereto, shall actually encroach upon any portions of the Common Areas, or if (c) any Parcel or any building, structure, fence, hedge, wall, tree, plant, landscaping or other improvements, wholly or partially located thereon and appurtenant thereto, shall actually encroach upon any other Parcel, there shall be deemed to be mutual reciprocal easements in favor of the Association and the Owners involved to the extent of such encroachment so long as such encroachment shall exist.

3.7. Landscaping Improvements to Common Area. After receiving the written approval of the Association's Board of Directors (and subject to the terms and conditions as the Board of Directors deems appropriate), Owners have the right to make landscaping improvements to the Common Areas adjacent to their Parcels. Any improvements to the Common Areas adjacent to their Parcels must be maintained by the requesting Owner (and any successors to that Owner's title) in accordance with the requirements listed by the Association's Board of Directors in the written approval. Any landscaping improvements by Owners to the Common Areas adjacent to their Parcels prior to the recordation of this Amended and Restated Declaration are grandfathered and are hereby approved by the Association's Board of Directors.

ARTICLE IV The Association

4.1. Membership in Association. The Owners shall be members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Parcel.

4.2. Association's Responsibilities. The Association shall maintain, operate, repair, landscape, plant and otherwise manage:

(a) the Common Areas and all recreational facilities, buildings, structures, fences, hedges, walls, trees, planters, landscaping and other improvements, wholly or partially located thereon and initially constructed for the benefit of all of the Owners in common;

(b) all fences, hedges, walls, trees, planters, and landscaping, wholly or partially located thereon, constituting a part of a Parcel; provided, however, that the Association shall not be responsible for fences, hedges, walls, trees, planters or landscaping; or any part thereof, not served by the watering system for the Common Areas; or which, under Rules and Regulations adopted by the Association, are deemed to be the responsibility of the Owner of the Parcel; and provided further, that the Association shall not be responsible for maintaining or repairing any building, structure, or pool located on a Parcel;

(c) the Private Streets, lighting facilities and all other improvements within the Property, excepting the Parcels, including, but without limitation, any permanent fence, wall or other

enclosure which may be constructed upon the Property, gates, buildings, or other structures which may be erected to mark, identify or control ingress and egress to the entrances of the Property, ponds and waterways, and related facilities and equipment, tennis courts, clubhouse, putting green, swimming pool, and related or appurtenant equipment and facilities.

4.3 Real Property Taxes. The Association shall pay all ad valorem real property taxes and all special improvements or other assessments levied in excess against all parts of the Property including Common Areas, excepting the Parcels.

4.4 Right to Employ. The Association shall have the right to employ gatekeepers, security guards, repairmen, gardeners, landscapers, a management company, attorney, accountant, bookkeepers and other personnel deemed by the Board of Directors to be necessary for the operation, maintenance and repair of the Common Areas.

4.5 Street Maintenance. The Association shall maintain Private Streets and the facilities now or hereafter located thereon; and maintain and operate a street lighting system either directly or under a contract with the City of Phoenix or through other means acceptable to it.

4.6 Common Areas and Private Streets. The Common Areas and the Private Streets shall remain undivided (subject to the provisions of subparagraph 3.1(c) hereof) and shall at all times be owned by the Association, or its successors, it being recognized that this restriction is necessary in order to preserve the rights of the Owners concerning the Common Areas and the Private Streets.

4.7 Owner's Responsibilities. Each Owner shall maintain, operate, repair, landscape, plant and otherwise manage (a) the buildings, structures and pools located on his Parcel, or partially located on his Parcel and constituting a part thereof; and (b) all fences, hedges, walls, trees, planters or landscaping, or any part thereof, located upon his Parcel, or partially located upon his Parcel and constituting a part thereof, not served by the watering system for the Common Areas, or which are not readily accessible from the Common Areas, or which, under Rules and Regulations adopted by the Association, are deemed to be the responsibility of the Owner of the Parcel.

4.8. Rules and Regulations. The Association's Board of Directors shall have the power, after notice to the Owners and an opportunity to comment, to promulgate reasonable non-discriminatory Rules and Regulations that shall be interpreted and enforced in a non-discriminatory manner. Such Rules and Regulations shall be delivered to the Owners.

4.9. New Services. No new service (i.e. a service that does not already exists currently within the Association) which will result in an additional charge to the Owners shall be instituted by the Association unless it shall first have been authorized by the vote of two-thirds of the members of the Association eligible to vote.

4.10 Capital Expenditures. No Capital Expenditure exceeding \$15,000 in any calendar year shall be made without a prior affirmative vote of a majority of the members of the Association eligible to vote. For purposes of this section, "Capital Expenditure" means any amount paid or incurred for a building, structure, machinery, equipment, renovation, restoration, replacement, or other improvement with a useful life of more than one year, excluding however, (a) to the extent provided for in the Association's annual budget, an expenditure regularly included therein as a recurring cost or expense, and (b) the amount held in the Association's reserve accounts equal to the estimated cost for such designated item identified and scheduled in an independently prepared reserve study. For the purpose of this Section, reserves or expenditures for repairs, replacements, restoration and renovation are permitted exclusions and reserves or expenditures for additions, expansions or relocations are not permitted exclusions.

4.12 Voting. All votes by the Owners, other than in non-contested elections, shall be conducted by secret ballot. When a record as to who voted is required, such as amending this Declaration, the identity of those voting in favor or against any proposal shall not be disclosed unless and until the proposal has passed.

ARTICLE V

Assessments

5.1 Creation of Lien and Personal Obligation of Assessments. Each Owner, by becoming the Owner of a Parcel, is deemed to covenant and agree to pay Assessments to the Association in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with interest at 10 % per annum, late charges and all costs (including but not limited to fees for demand letters, lien fees and reasonable attorneys' fees) incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Parcel and shall be a continuing lien upon the Parcel against which each such Assessment is made.

Each Assessment, together with interest and all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of the Person who was the Owner of the Parcel at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them.

No Owner shall be exempt from liability for Assessments because of such Owner's non-use of the Common Area, abandonment of such Owner's Parcel or other circumstance. The obligation to pay Assessments is a separate and independent obligation on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association, the Board of Directors or the Architectural Control Committee to take some action or perform some function required of it.

5.2 Regular Assessments. At least thirty (30) days prior to the commencement of each Assessment Period, the Board of Directors shall prepare and adopt a budget of the estimated Common Expenses for the next Assessment Period, including any contribution to be made to a reserve fund. The budget shall also reflect the sources and estimated amounts of funds to cover such Common Expenses, which shall include any surplus to be applied from prior years, any income expected from sources other than Assessments are the amount to be generated through Assessments against the Parcels. Based on the budget adopted by the Board of Directors, the Board of Directors shall assess against each Assessable Parcel a Regular Assessment. The Regular Assessment shall be the same for each Assessable Parcel. However, if there are any contiguous Parcels which have been combined pursuant to paragraph 2.3 hereof, the total amount of the assessment for two combined Parcels shall be one and one-half (.75 unit being attributed to each Parcel so combined) the assessment rate of one Parcel. Further, if there are any contiguous Parcels which have been combined pursuant to Paragraph 2.3 hereof, the total amount of the assessment for one parcel plus one half of a parcel shall be one and a quarter of the assessment rate of one Parcel. The amount of increase, if any, in the Regular Assessment from one Assessment Period to the next Assessment Period shall be subject to such limitations set forth below. The Board of Directors shall give notice of the Regular Assessment to each Owner at least thirty (30) days prior to the beginning of each

Assessment Period. The failure to give such notice shall not affect the validity of the Regular Assessment established by the Board of Directors nor relieve any Owner from its obligation to pay the Regular Assessment. Such notice shall be accompanied by the budget for the Assessment Period. Additionally within 10 days prior to the scheduled annual meeting, the Board of Directors shall deliver to the owners (a) an accounting of actual income and expenditures compared to the budgeted amounts for the prior Assessment Period, (b) a Balance Sheet and (c) a Reserve Fund Status Statement including projected uses of reserve. If the Board of Directors fails to adopt a budget for any Assessment Period, then until and unless such budget is adopted and a Regular Assessment is levied by the Board of Directors for such Assessment Period, the amount of the Regular Assessment for the immediately preceding Assessment Period shall remain in effect. Except as otherwise provided below, unless approval or ratification of the budget or the Regular Assessment for any Assessment Period is required by law, neither the budget nor the Regular Assessment shall be required to be ratified or approved by the Members. The Association shall not impose a regular assessment that is more than five per cent greater than the immediately preceding fiscal year's assessment without the approval of the majority of the owners eligible to vote.

5.3 Special Assessments. The Association may levy against each Assessable Parcel a Special Assessment for the purpose of obtaining funds to pay the cost of any construction, reconstruction, repair or replacement of an Improvement upon the Common Area (including fixtures and personal property related thereto), or to pay unbudgeted expenses or expenses in excess of the amount budgeted. Any Special Assessment must be approved by a majority of the owners eligible to vote. Special Assessment shall be levied in an equal amount for each Assessable Parcel. However, if there are any contiguous Parcels which have been combined pursuant to paragraph 2.3 hereof, the total amount of the special assessment for two combined Parcels shall be one and one-half (.75 unit being attributed to each Parcel so combined) of the special assessment rate of one Parcel. Further, if there are any contiguous Parcels which have been combined pursuant to paragraph 2.3 hereof, the total amount of the special assessment for one parcel plus one half of a parcel shall be one and a quarter of the special assessment rate of one Parcel.

5.4 Assessment Period. The period for which the Regular Assessment is to be levied shall be the calendar year. The Board of Directors in its sole discretion from time to time may change the Assessment Period.

5.5. Nonpayment of Assessments; Remedies; Lien. Any Assessment or any installment of an Assessment, not paid within Thirty (30) days after the Assessment or the installment of the Assessment first became due shall bear interest from the due date at the 10 % per annum. In addition, one late fee in an amount set from time to time by the Board of Directors, not to exceed 5% of each late payment, shall be charged to any Owner who has not paid any Assessment or any installment of an Assessment within thirty (30) days after such payment was due.

The Association shall have a lien on each Parcel for: (a) all Assessments and late fees levied against the Parcel; (b) collection costs; and (c) all attorneys' fees in attempting to collect Assessments or other amounts due to the Association by the Owner of a Parcel whether or not suit is filed by the Association. The Recording of this Declaration constitutes record notice and perfection of the Assessment Lien. The Association may, at its option, record a Notice of Lien setting forth the name of the delinquent Owner as shown in the records of the Association, the legal description or street address of the Parcel against which the Notice of Lien is recorded and the amount claimed to be past due as of the date of the Recording of the Notice, including lien recording fees and

reasonable attorneys' fees. Before recording any Notice of Lien against a Parcel, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments, together with late charges and reasonable attorneys' fees, if any, and all other amounts secured by the Assessment Lien. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the amounts specified in the demand are not paid within ten (10) days after delivery of the demand, the Association may proceed with recording a Notice of Lien against the Parcel. If the Association records a Notice of Lien, the Association may charge the Owner of the Parcel against which the Notice of Lien is Recorded a lien fee in an amount established from time to time by the Board of Directors.

The Assessment Lien shall have priority over all liens or claims except for: (a) liens and encumbrances recorded before the Recording of this Declaration; (b) liens for real estate taxes and other governmental assessments and charges against the Parcel; and (c) any recorded first mortgage on the Parcel, a seller's interest in a first contract for sale pursuant to Title 33, Chapter 6, Article 3 of the Arizona Revised Statutes Recorded prior to the Association's lien or a Recorded first deed of trust on the Parcel. Any First Mortgagee or any other Person acquiring title or coming into possession of a Parcel through foreclosure of the First Mortgage purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure shall acquire title free and clear of any claims for unpaid assessments and charges against the Parcel which became payable prior to the acquisition of such Parcel by the First Mortgagee or other Person. Any Assessments and charges against the Parcel which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Parcel.

The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, late fees, collection costs and reasonable attorneys' fees payable to the Association by the Owner of the Parcel have been paid in full.

The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to, (a) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment Lien or (b) bringing an action to foreclose the Assessment Lien against the Parcel in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Parcels purchased at such sale.

5.6 Purposes for which Association's Funds May Be Used. The Association, subject to the limitations contained in the Community Documents, may use the funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the purpose of: (a) discharging and performing the Association's duties and obligations under the Community Documents or applicable law; (b) exercising the rights and powers granted to the Association by the Community Documents or applicable law; (c) providing or promoting activities and services, (d) contracting for services (including, without limitation, trash collection or cable television) to be provided to Owners, Lessees and Residents; and (e) taking such other action necessary, appropriate or desirable for the management and administration of the Association or the benefit of the Association or the Property.

ARTICLE VI**Architectural Control Committee**

6.1. The Architectural Control Committee shall be appointed by a majority of the Association's Board of Directors and shall be composed of three owners in the Association. The members of the Architectural Control Committee shall have staggered terms starting with the first Architectural Control Committee appointed after the recordation of this Declaration (i.e., one member shall be appointed to a 3 year term, one member shall be appointed to a 2 year term and one member shall be appointed to a 1 year term. Each year thereafter, the Board shall appoint one new member to the Architectural Committee. The Board shall also have the right to appoint a new member of the Architectural Committee in the event of resignation of a member of the Architectural Committee. Neither the members of the Committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant.

No building, fence, wall or other improvement on a Parcel (structural or otherwise) shall be commenced to be constructed, erected, maintained or altered on any Parcel until a copy of the Association's Architectural Review Form and the plans and specifications therefore, including, but without limitation, any required grading plans, showing the nature, kind, shape, materials, exterior color, floor plan, location and approximate cost thereof shall have been submitted to and approved by the Architectural Control Committee and a copy thereof is formally approved and lodged permanently with such Committee. The Architectural Control Committee shall have the right to refuse to approve any such plans or specifications which do not conform to community standards for aesthetic reasons, or any other reason. In passing upon such plans and specifications it shall take into consideration the suitability of the proposed building or other structure, and the materials of which it is to be built, together with the color thereof, to the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, and the effect of the building or other structure as planned on the outlook from the adjacent or neighboring property. Nevertheless, the Architectural Committee shall act uniformly and in a non-discriminatory manner in granting or withholding approval. Precedent and previous approvals or denials of approval shall be considered. Uniform architectural guidelines shall be established, provided and followed. All subsequent additions to, or changes or alterations in, any building, fence, wall, Parcel or other structure or improvement, including but without limiting the generality of the foregoing, any changes in exterior color or material, shall be subject to the prior written approval of the Architectural Control Committee. The Architectural Control Committee's approval or disapproval as required in these covenants shall be in writing. Any denial of approval shall state all of the reasons why approval was not granted. In the event the Architectural Control Committee's or its designated representative fails to approve or disapprove within 45 days after final plans and specifications have been submitted to it, or in any event if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenant shall be deemed to have been fully complied with.

ARTICLE VII**Enforcement.**

7.1. Association's Enforcement Rights. The Association may enforce the Community Documents in any manner provided for in the Community Documents or by law or in equity, including, but not limited to:

(a) Imposing reasonable monetary fines after notice and an opportunity to cure and to be heard is given to the Owner and the other violator. An Owner shall be responsible for payment of any fine levied or imposed against a Lessee or Resident of the Owner's Parcel or by any guest or invitee of the Owner or any Lessee or Resident;

(b) Suspending an Owner's right to vote after notice and an opportunity to cure;

(c) Suspending any Person's right to use any recreational facilities within the Common Area after notice and an opportunity to cure; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Parcel;

(d) Taking action to abate a violation of the Community Documents in a situation affecting safety or health. However, self help is only available with respect to a Parcel that is subject to a violation of the Community Documents (1) that is so dangerous to the health or safety of the Owners that it must be remedied immediately, or (2) that results from the parcel's watering system being inoperative and such condition will probably cause irreparable damage to the parcel's landscaping if not remedied or, (3) to remove dead growth or debris surrounding a home and both (not either) of the following circumstances exist: (a) the residence is not occupied and (b) either the parcel is subject to a pending Trustee's Sale or a Trustee's Sale has been completed and the parcel is owned by the pre-foreclosure beneficiary. In such cases, for self help to be exercised it must be documented that the Association made a major effort to contact the Parcel Owner (and all those designated by the owner in contact instructions provided by the owner to receive emergency notice) by email, facsimile, texting, and phone, as to the nature of the emergency, and either contact was not made, the Owner refused to abate the violation or acknowledged its inability to do so. If it is determined that anyone has authorized or participated in the use of self help without authority under this section he or she shall not be entitled to indemnification or a legal defense under the Community Documents.

(e) Requiring an Owner, at the Owner's expense, to remove any structure or Improvement on such Owner's Parcel in violation of this Declaration and to restore the Parcel to its previous condition;

(f) Without liability to any Person, prohibiting any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration or the Design Guidelines from continuing or performing any further activities in the Property;

(g) Towing vehicles which are parked in violation of this Declaration or the Association Rules and Regulations

(h) Filing a suit at law or in equity to enjoin a violation of the Community Documents (without being required to post bond unless required by law), to compel compliance with the Community Documents (i.e. Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws and Rules and Regulations), to recover reasonable fines or money damages or to obtain such other relief as to which the Association may be entitled; and

(i) Recording with the Maricopa County Recorder's Office a written notice of violation by any Owner, Lessee or Resident of any restriction or other provision of the Community Documents (i.e. Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws and Rules and Regulations). The notice shall be executed by an officer of the Association and shall contain substantially the following information: (a) the name of the Owner, Lessee or Resident violating, or responsible for the violation of, the Community Documents (i.e. Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws and Rules and Regulations); (b) the legal description of the Parcel against which the notice is being Recorded; (c) a brief description of the nature of the violation; (d) a statement that the notice is being Recorded by the Association pursuant to this Declaration; and (e) a statement of the specific steps which must be taken by the Owner or occupant to cure the violation. Recordation of a notice of violation shall serve as notice to the Owner and Resident, and any subsequent purchaser of the Parcel, that there is such a violation but shall not relieve the Association from its obligation to serve notice as otherwise required in the Community Documents. Failure by the Association to Record a notice of violation shall not constitute a waiver of any such violation, constitute any evidence that no violation exists with respect to a particular Parcel or constitute a waiver of any right of the Association to enforce the Community Documents (i.e. Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws and Rules and Regulations).

7.2. Enforcement Not Required. The Association shall not be obligated to take any enforcement action if the Board of Directors determines, in its sole discretion, that because of the strength of the Association's possible defenses, the time and expense of litigation or other enforcement action, the likelihood of a result favorable to the Association, or other facts deemed relevant by the Board of Directors, enforcement action would not be appropriate or in the best interests of the Association.

7.3. Owner's Right of Enforcement. Any Owner shall also have the right to enforce this Declaration in any manner available at law or in equity. All rights and remedies of the Association under the Community Documents or at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. The failure of the Association or an Owner to take enforcement action with respect to a violation of the Community Documents shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the Community Documents in the future. If any lawsuit or arbitration proceeding is filed by the Association or any Owner to enforce the provisions of the Community Documents or in any other manner arising out of the Community Documents or the operations of the Association, the prevailing party in such action shall be entitled to recover from the other party all attorneys' fees, arbitration and other costs incurred by the prevailing party in the action.

ARTICLE VIII

Insurance

8.1 Scope of Coverage. The Association shall maintain, to the extent reasonably available, the following insurance coverage:

(a) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Areas of Association

Responsibility and all other portions of the Property which the Association is obligated to maintain under this Declaration, and shall also include hired automobile and non-owned automobile coverage's with cost liability endorsements to cover liabilities of the Owners as a group to an Owner;

(b) Property insurance on all Common Areas insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Common Areas, as determined by the Board of Directors; provided, however, that the total amount of insurance after application of any deductibles shall not

be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property policy;

(c) Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona; and

(d) Directors and officers insurance (also known as errors and omissions insurance)

(e) Such other insurance as the Board of Directors shall determine from time to time to be appropriate to protect the Association or the Owners.

The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions: (i) that there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household; (ii) no act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy; (iii) that the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust; (iv) a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners; (v) statement of the name of the insured as the Association; and (vi) for policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy.

The premiums for any insurance obtained by the Association pursuant to this Section shall be included in the budget of the Association and shall be paid by the Association.

8.2 Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each mortgagee or beneficiary under a deed of trust to who certificates of insurance have been issued.

8.3 Payment of Insurance Proceeds. With respect to any loss to any Area of Association Responsibility covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of Section 8.4, the proceeds shall be disbursed for the repair or restoration of the damage to the Area of Association Responsibility.

8.4 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Areas which is damaged or destroyed shall be repaired or replaced promptly by the

Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance, or Owners representing at least eighty percent (80%) of the Parcels eligible to vote in the Association vote not to repair or replace the damaged or destroyed improvements. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association.

If all of the Areas of Association Responsibility are not repaired or replaced, insurance proceeds attributable to the damaged Areas of Association Responsibility shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall be retained by the Association as an additional capital reserve.

ARTICLE IX
Miscellaneous

9.1. Binding Affect of Declaration. The covenants, restrictions, reservations, conditions and servitudes contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing or occupying any Parcel after the date on which this instrument shall have been Recorded. These covenants, restrictions, reservations and conditions may be enforced by the Owner or lessee of any Parcel, by the holder of any mortgage on any Parcel, by the trustee and beneficiary under any deed of trust on any Parcel, by the Association or any one or more of said persons; provided, however, that any breach of any of said covenants, restrictions, reservations, conditions and servitudes, or any right of reentry by reason thereof, shall not defeat or adversely affect the lien of any mortgage or deed of trust made in good faith and for value upon any Parcel, but except as herein provided, each and all of said covenants, restrictions, reservations, conditions and servitudes shall be binding upon and effective against any Owner or lessee of said Parcel whose title thereto is acquired by foreclosure trustee's sale, deed in lieu of foreclosure, or otherwise, and provided, also, that the breach of any of said covenants, restrictions, reservations, conditions and servitudes may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien, or existence, of any such mortgage or deed of trust. All instruments of conveyance or assignment of any interest in all or any part of the Property shall refer to this instrument and shall be subject to the covenants, restrictions, reservations, conditions and servitudes herein contained as fully as though this instrument were therein set forth in full; provided however, that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

9.2. Severability. Invalidation of any of these covenants, restrictions, reservations or conditions by judgment, court order or otherwise shall in no way affect the validity of any of the other provisions of this declaration, all of which shall remain in full force and effect.

9.3. Arbitration. If there is a dispute as to the interpretation of or performance under the Association Documents (including Architectural Control Committee determinations), the parties will submit their dispute for resolution by arbitration as follows:

(a) This arbitration shall be resolved by one arbitrator selected by the Parties as provided herein ("Arbitrator").

(b) To select the person who will act as an Arbitrator for this matter, the parties shall each submit three names of persons who such party represents would be suitable and acceptable to that

party as an Arbitrator.

(c) Along with the name of the proposed Arbitrator each party will also provide the address, resumes, hourly or daily rates or other method of compensation, and any known connections, relationships or previous involvement, with or between the proposed Arbitrator and a party or its legal counsel.

(d) The parties shall then attempt to agree on the person to act as the Arbitrator for this Arbitration. The selection may be from the lists submitted by the parties or some other person mutually agreed between the parties, but in no event, shall a person be selected to serve as an Arbitrator without making the required disclosures r.

(e) In the event that the parties cannot agree upon the selection of an Arbitrator from the lists within five days from the date of this agreement, the parties shall submit three additional names and the process provided above shall be recommenced.

(f) Unless otherwise agreed upon by the parties the procedures for conducting the arbitration hearings and any other preliminary matters will be established using the Rules of Commercial Arbitration then in existence as published by the American Arbitration Association.

(g) In reaching his or her decision the Arbitrator shall apply Arizona law. (e).The Arbitrator's decision and award shall be final and binding on and may not be appealed by the parties.

(h) [1] The Arbitrator shall be impartial and independent. [2] To insure impartiality, within five days after notification of appointment, the selected arbitrator shall submit to both parties a disclosure, in writing of any circumstances likely to give rise to doubts as to the Arbitrator's impartiality or independence or which could raise any appearance of such. The disclosure shall certify that there are no other connections or relationships between the Arbitrator and the parties or their respective legal counsel and no other circumstances affecting the Arbitrator's impartiality or appearance of the same.[3] The duty of disclosure shall be a continuing one. If a fact becomes known or recalled by a party or the Arbitrator after his or her selection that would have, if known required to be disclosed as provided herein, the Arbitrator or party shall make prompt disclosure of that fact. Once disclosed, the party affected shall have twenty four hours to state an objection.[4] If an objection is stated in good faith, the Arbitration shall immediately cease and the process for selection of an Arbitrator as provided herein shall recommence.

Nothing herein shall prevent the Association from enforcing the following rights without having to first submit to or request arbitration: (a) collecting or enforcing assessments pursuant to § 5.5, including interest and late fees and (b) enforcing those rights described in § 7.1 (b), (c), (d), (f), (g), (h) and (i). Nothing herein shall prevent an Owner from obtaining injunctive or declaratory relief against the Association, or any Member without having to first submit to or request arbitration. Notwithstanding anything herein to the contrary, any monetary claim resulting from the wrongful or improper enforcement of the Association's or Member's rights shall be subject to arbitration.

9.4 Amendment. The Declaration may be amended at any time by an affirmative vote of the Owners of at least 75% percent of the Parcels.

9.5 Notice. Notice of Board Meetings shall be given by email and posting at the Associations guard house. Notice of annual and special meetings of the owners shall be given by email and mail to the Owner's address in the Echo Canyon subdivision unless an Owner requests that notice be mailed to a different or additional address. Notice of nonpayment or a violation of the Rules and Regulations shall be sent by email and by certified mail return receipt requested to each address provided by the Owner.

Echo Canyon Property Owners Association,
an Arizona Non-Profit Corporation

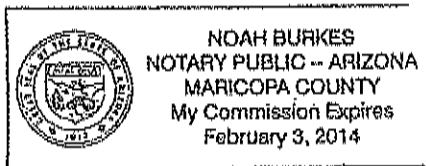
BY: [Signature] (Signature)

Name:
ITS: President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30th day of January, 2012, by Edward White, the President of the Echo Canyon Property Owners Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: [Signature]
My commission Expires: 02-03-2014



Echo Canyon Property Owners Association,
an Arizona Non-Profit Corporation

BY: [Signature] (Signature)

Name:
ITS: Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 30th day of January, 2012, by Jennifer Jacobs, the Secretary of Echo Canyon Property Owners Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: [Signature]
My commission Expires: 02-03-2014

