



ARIZONA CORPORATION COMMISSION

DECEMBER 31, 1992
HARMON RANCH HOMEOWNERS ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on 12-15-92.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in MARICOPA County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is DECEMBER 31, 1993. A preprinted Annual Report Form will be mailed to you during that month.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

Terry Martinez

Examiner Technician
Corporations Division
Arizona Corporation Commission

AZ CORP COMMISSION
FOR THE STATE OF AZ.
FILED

ARTICLES OF INCORPORATION

OF

DEC 15 3 03 PM '92

HARMON RANCH HOMEOWNERS ASSOCIATION

APPR *J. [Signature]*
DATE APR 13 1993 FILED
TERM _____

247723

Pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Harmon Ranch, dated December 14, 1992, recorded December 14, 1992 as Document # 92-711323 in the office of the County Recorder of Maricopa County, Arizona, as the same may be amended from time to time (the "Declaration"), the undersigned have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby adopt the following Articles of Incorporation:

ARTICLE I
DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration. "Declarant" as used herein shall refer to TRANSAMERICA TITLE INSURANCE COMPANY, a California corporation, as Trustee under Trust No. 7268 and the successors and assigns of Declarant's rights and powers under the Declaration. Harmon Ranch as used herein to describe a place shall refer to the property described in the Declaration as Harmon Ranch.

ARTICLE II
NAME

The name of the corporation is HARMON RANCH HOMEOWNERS ASSOCIATION, (hereafter called the "Association").

ARTICLE III
PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall initially be located at 1300 N. McClintock Drive, Chandler, AZ 85224.

ARTICLE IV
STATUTORY AGENT

Eugene E. Keller, 101 N. 1st Avenue, #2460, Phoenix, AZ 85003 is hereby appointed the initial statutory agent of the Association.

ARTICLE V
PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. This Association does not contemplate pecuniary gain or profit to the Members thereof. The specific purposes and the initial purpose for which the Association is formed are:

(a) To encourage and facilitate social and recreational activities for the Owners, lessees and residents of Harmon Ranch;

(b) To provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration of Harmon Ranch;

(c) To promote the health, safety and welfare of the Owners, lessees and residents within Harmon Ranch and any additions thereto as may hereafter be brought within the jurisdiction of the Association; and

(d) To comply with requirements of the Declaration of Covenants, Conditions, and Restrictions created for Harmon Ranch.

Section 2. Limitation of Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Association shall inure to the benefit of any Member or individual (other than by promoting social and recreational activities for Members, by acquiring, constructing, or providing management, maintenance, and care of the Common Area, or by a rebate of excess membership dues, fees or assessments).

Section 3. Character of Affairs. The character of affairs which the Association initially intends actually to conduct in Arizona is to carry out the duties and responsibilities of the Association as set forth in the Declaration, including the providing of an organizational structure for the Members to engage in social and recreational activities, to provide for the operation and maintenance of Common Area, to levy and collect assessments for the expenses of the Association, and to exert architectural control over the construction and maintenance of Improvements on Harmon Ranch.

ARTICLE VI
MEMBERSHIP

Section 1. Identity of Members. Membership in the Association shall be limited to record Owners of Lots and Parcels. A record Owner of a Lot or Parcel shall automatically, upon becoming the Owner thereof, be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 2. Transfer of Membership. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Parcel and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot or Parcel and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VII
VOTING RIGHTS

Section 1. Classes of Members. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of Lots and Parcels, with the exception of the Declarant. Each Class A Member shall be entitled to one (1) vote for each Lot owned. Voting rights and memberships for Parcels shall be determined by the appropriate Tract Declaration.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Class A vote outstanding for as long as there is a Class B membership. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) Ninety (90) days after the number of Class A votes attributable to Lots or Parcels which do not qualify for a reduced assessment under Article 5, Section 5.8 of the Declaration exceeds the number of Class B votes; or

(b) When the Declarant notifies the Association in writing that it relinquishes its Class B membership; or

(c) January 1, 2002.

Section 2. Joint Ownership. When more than one (1) person is the Owner of any Lot or Parcel, all such persons shall be Members. The vote for such Lot or Parcel shall be exercised as they among themselves determine, but in no event shall more than one (1) ballot be cast with respect to any Lot. The vote or votes for each such Lot or Parcel must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. In the event more than one (1) ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 3. Corporate Ownership. In the event any Lot or Parcel is owned by a corporation, partnership or other association, the corporation, partnership or association shall be

a Member and shall designate in writing at the time of acquisition of the Lot or Parcel an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

Section 4. Suspension of Voting Rights. In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including attorneys' fees, are brought current, and for a period not to exceed sixty (60) days for any infractions of the Project Documents and for successive sixty (60) day periods if the infraction has not been corrected.

Section 5. Inseparability of Voting Rights. Voting rights are appurtenant to, and inseparable from, ownership of the Lots or Parcels.

ARTICLE VIII BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than three (3) directors who need not be Members of the Association. The names and addresses of the persons who are to serve as directors beginning with the incorporation of the Association until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
W. Scott Schirmer	1300 N. McClintock Drive Chandler, AZ 85224
Mary Peterson	1300 N. McClintock Drive Chandler, AZ 85224
Germain A. Ball	1300 N. McClintock Drive Chandler, AZ 85224

ARTICLE IX AMENDMENTS

Section 1. Amendments. The Articles may be amended by the affirmative vote of at least two-thirds (2/3rds) of the votes of Members of the Association cast at a duly called meeting

of the Members; provided, however, as long as there is a Class B" membership, any amendment of these Articles of Incorporation shall require the prior written approval of the Federal Housing Administration or the Veterans Administration.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Articles to the contrary notwithstanding, the Board shall have the right to amend all or any part of the Articles to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") and to further amend the Articles to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Articles or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lots or Parcels. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Arizona law. It is the desire of Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of and until the Class B membership ceases pursuant to Article VII, Section 1 above. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions.

ARTICLE X
DISSOLUTION

If the Association is dissolved, the assets remaining after discharge of all corporate liabilities shall be distributed in compliance with the laws of the State of Arizona governing non-profit corporations.

ARTICLE XI
INCORPORATORS

The names and addresses of the incorporators are as follows:

<u>Name</u>	<u>Address</u>
W. Scott Schirmer	1300 N. McClintock Drive Chandler, AZ 85224
Germain H. Ball	1300 N. McClintock Drive Chandler, AZ 85224

XII
INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

ARTICLE XIII
INDEMNIFICATION

The Association shall indemnify all of its directors and officers, and its former directors and officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment as a director or officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act, willfully or with gross negligence, or with fraudulent or criminal intent, in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Whenever any such present or former director or officer shall report to the President of the Association that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act, willfully, with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors determines in good faith that such person did not act, fail to act or refuse to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

ARTICLE XIV
FHA/VA APPROVAL

If the Declaration and these Articles have been initially approved by the FHA or the VA in connection with any loan programs made available by FHA or VA and any loans have been made on property in Harmon Ranch which are insured or guaranteed by FHA or VA, then as long as there is a Class B membership, the following actions will require the prior written approval of the

FHA or VA, as applicable, unless the need for such approval has been waived in writing by FHA or VA: (i) annexation of additional properties, (ii) mergers and consolidations, (iii) mortgaging of a common area, (iv) dedication of the Common Area except as required by zoning stipulations or agreements with the County of Maricopa effective prior to the date hereof, and (v) dissolution and amendment of these Articles.

Dated this 8 day of December, 1992.

W. Scott Schirmer
Germain H. Ball

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the 8th day of December, 1992, before me, the undersigned Notary Public, personally appeared W. SCOTT SCHIRMER and GERMAIN H. BALL, known to me (or satisfactorily proven) to be the persons whose name are subscribed to the within instrument and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Fleta D. Sivadon
FLETA D. SIVADON - Notary Public

My Commission Expires:
June 3, 1996

BYLAWS OF
HARMON RANCH HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is Harmon Ranch Homeowners Association, hereinafter referred to as the "Association". The location of the principal office of the Association shall be as provided in the Articles of Incorporation. Meetings of Members and directors may be held at such places within the State of Arizona, County of Maricopa, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Covenants, Conditions, and Restrictions, dated December 14, 1992 recorded on December 14, 1992 as Document #92-711323 in the office of the County Recorder of Maricopa County, Arizona (the "Declaration"), as the same may be from time to time amended. The term "Declarant" shall refer to TRANSAMERICA TITLE INSURANCE COMPANY, a California corporation, as Trustee under Trust No. 7268.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year of the date of Incorporation, the date of which shall be determined by the Board, at such place and hour as may be set by the Board, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fifteen (15) days nor more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of

notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or Parcel or termination of his lease.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who need not be Members of the Association. The Board shall have the exclusive right of determining the affairs of the Association. The Board shall consist of three (3) directors. The Board initially shall consist of the three (3) directors designated in the Articles.

Section 2. Term of Office. The directors designated in the Articles shall hold office until the first annual election of directors, which shall take place at the first annual meeting of Members, or until their successors are elected and qualified. At the first annual meeting, the Members shall elect one (1) director for a term of three (3) years and one (1) director for a term of two (2) years, and one (1) director for a term of one (1) year. At each annual meeting thereafter, the Members shall elect directors to replace those directors whose terms have expired and all such directors shall be elected for a term of three (3) years. The length of terms may be modified by the Members and the number of directors may be increased to not more than nine (9) by the vote of the Members or the Board. In the event of an increase in the number of directors, the Members, at the first annual meeting after the increase, shall designate the terms for the new directorships. If the new directorships are created and filled by the Board between annual meetings, the newly elected directors shall serve until the next annual meeting of the Members.

Section 3. Removal and Vacancies. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of the death, resignation, or removal of a director, his successor shall be

selected by the remaining members of the Board and such successor shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association in such capacity. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties as a director and may receive a salary or wages if he is employed by the Association in a capacity in addition to serving as a director.

Section 5. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Election. Directors shall be elected by the Membership at the annual meeting.

Section 2. Voting. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area, the personal conduct of the

Members and their guests thereon, and any other matters contemplated by the Declaration or Articles and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Area of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended (i) for a period not to exceed sixty (60) days for infraction of the Declaration or Association Rules and (ii) for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period; however, no such suspension may be made toward restricting the use of the Common Area, which would prevent the use and enjoyment of the Owner's Lot as a residence or restrict his access or parking rights;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, independent contractors, or such other employees as they deem necessary and to prescribe the duties of such persons.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot and Parcel at least thirty (30) days in advance of each annual assessment period; and

(2) take such action, as and when the Board deems such action appropriate but after notice as provided in the Declaration, to foreclose the lien against any property for which assessments are not paid and/or to bring an action at law against the Member personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment, as against any bona

fide Purchaser of, or lender on, the Lot or Parcel in question;

(e) procure and maintain adequate liability and hazard insurance on the general Common Area;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the maintenance responsibilities of the Association set forth in the Declaration to be performed.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary/Treasurer.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer will be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall cosign all checks and promissory notes.

(b) Vice President The Vice President shall act in

the place and stead of the President in the event of his absence or inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting and delivered to the Members.

(e) Delegation The Board may delegate the duties listed above or other duties to a manager or managing agent, or other; however, such delegation shall not relieve any member of the Board of his responsibility for such duties.

ARTICLE IX COMMITTEES

The Board of Directors shall appoint committees as deemed appropriate in carrying out the purpose of the Association.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association, annual assessments, supplemental assessments, and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid on the due date, the assessment shall bear a late charge as outlined in the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same or

foreclose the lien against the property, as provided in the Declaration. Late charges, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot or Parcel.

ARTICLE XII
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: HARMON RANCH HOMEOWNERS ASSOCIATION.

ARTICLE XIII
AMENDMENTS

Section 1. Amendments. These Bylaws may be amended in a manner not inconsistent with the Declaration or Articles, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy; provided however, the Federal Housing Administration ("FHA") or the Veterans Administration ("VA"), as applicable, shall have the right to veto amendments while there is a Class B membership if the Declaration and these Bylaws have been initially approved by the FHA or VA in connection with any loan programs made available by FHA or VA and any loans have been made within Harmon Ranch which are insured or guaranteed by FHA or VA.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in the Bylaws to the contrary notwithstanding, the Board reserves the right to amend all or any part of the Bylaws to such an extent and with such language as may be requested by the FHA or the VA and to further amend the Bylaws to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Bylaws or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s). It is the desire of the Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated period of planning and development of Harmon Ranch and until the Class B membership ceases pursuant to Article 4, Section 4.1, of the Declaration. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions.

ARTICLE XIV
INTERPRETATION

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and

In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XV
FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December, of each year, except that the first fiscal year shall begin on the date of incorporation of the Association and shall end on the 31st day of December thereafter.

I, MARY G. PETERSON, Secretary of Harmon Ranch Homeowners Association, an Arizona nonprofit corporation, hereby certify that the foregoing constitutes the Bylaws of the Association as adopted at the organizational meeting of the Board of Directors on December 15, 1992, at which all of the directors were present, or if not present consented in writing to the action taken at the meeting, which written consent has been filed with the Secretary of the Association.



MARY G. PETERSON
Secretary