

# **Notice**

**Merrill creek HOA was previously known as Merrill Ranch HOA.**

**In 2006, the community was re-incorporated as Merrill Creek but the Bylaws for Merrill Ranch was not retitled.**

**The document remains in full force and effect in the renamed community.**

BYLAWS  
OF  
MERRILL RANCH HOMEOWNERS ASSOCIATION

ARTICLE 1 GENERAL PROVISIONS

1.1 Defined Terms. Capitalized terms used in these Bylaws without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, Restrictions and Easements for Merrill Ranch recorded on ~~December~~ <sup>January</sup> \_\_, 2000, at Instrument No. 2000-0008258 in the Official Records of the Maricopa County, Arizona Recorder, as amended from time to time. Whenever the context so requires, the use of the singular shall include and be construed as including the plural and the masculine shall include the feminine and neuter.

1.2 Principal Office. The principal office of the Association shall be located at the place designated in the Articles or such other place as may be designated from time to time pursuant to Arizona law. Meetings of Members and the Board of Directors may be held at the principal office of the Association or at such other place as may be designated by the Board of Directors.

1.3 Conflicting Provisions. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

1.4 Corporate Seal. The Association may have a seal in a form approved by the Board of Directors.

1.5 Designation of 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 every year, except that the first fiscal year shall begin on the date of incorporation.

1.6 Books and Records. The Project Documents and all other books, records and papers of the Association shall be available for inspection by any Member during reasonable business hours at the principal office of the Association where copies may be purchased at reasonable cost. The Association may withhold from inspection those books, records and papers designated in A.R.S. §10-11602.

1.7 Amendment. Except as provided below, these Bylaws may only be amended, at a regular or special meeting of the Members, by a vote of the Members entitled to cast more than fifty percent (50%) of the total votes entitled to be cast by the Members present in person or by proxy. While Class B Membership exists, the Declarant, and thereafter the Board, may, without the consent of any other Member or Mortgagee, amend these Bylaws to comply with the requirements or guidelines of the Veterans Administration (VA) or Federal Housing Administration (FHA) or any governmental or quasi-governmental entity or federal corporation whose approval of the Property or the Project Documents is required by law or requested by Declarant or the Board. As long as there is Class B Membership, any amendment of these

Bylaws must be approved by the VA or FHA prior to the amendments taking effect, if said agencies have approved the development plan of the Project.

1.8 Indemnification. To the extent it has the power to do so under the Arizona Nonprofit Corporation Act, A.R.S. §10-3101, et seq., as it may be amended from time to time, the Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in an action by or in the right of the Association or otherwise, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, and against judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Indemnification of any such Person shall be made in accordance with the procedures set forth in the Arizona Nonprofit Corporation Act. Liability of the Directors shall also be limited as provided in the Articles.

1.9 Notices. All notices, demands, statements or other communications required to be given or served under these Bylaws shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, or, in the case of a notice pursuant to Section 5.1 of these Bylaws, registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a Lot Owner, at the address which the Lot Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Lot Owner, (ii) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Lot Owners pursuant to this section, and (iii) if to Declarant, at 1845 S. Dobson Rd., Ste. 101, Tempe, Arizona 85202. A notice given by mail, whether regular, certified or registered, shall be deemed to have been received by the Person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Lot is owned by more than one person, notice to one of the Lot Owners shall constitute notice to all Lot Owners of the same Lot. Addresses for notice may be changed from time to time by the giving of notice in the manner provided herein for the giving of notices.

## ARTICLE 2 MEETINGS OF MEMBERS

2.1 Annual Meeting. The first annual meeting of the Members shall be held within one (1) year of the date on which the Association is incorporated, and an annual meeting of the Members shall be held during each calendar year thereafter. The date, time and place of each annual meeting of the Members shall be determined by the Board of Directors.

2.2 Special Meetings. Special meetings of the Members may be called at any time by the President or a majority of the Board of Directors or by Lot Owners having at least ten percent (10%) of the total votes in the Association.

2.3 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 each notice, postage prepaid, no fewer than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote at the meeting 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 items on the agenda, including the general nature of any proposed amendment to the Declaration or the Bylaws, any budget changes and any proposal to remove a director or officer.

2.4 Quorum and Adjournment. Except as otherwise provided in the Articles, the Declaration or these Bylaws, including, without limitation, Section 6.18 of the Declaration, the presence in person or by proxy of Members entitled to cast one-tenth (1/10) of the total authorized votes in the Association shall constitute a quorum at all meetings of the Members. If a quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Except as provided in Section 6.18 of the Declaration, any adjournment for lack of a quorum shall be to a date not more than thirty (30) days from the original meeting date. Meetings may also be adjourned to another place and time for reasons other than lack of quorum if the place and time are announced at the meeting at which adjournment is taken and the reconvened meeting is held within thirty (30) days of the adjourned meeting.

2.5 Multiple Owners. If only one of the multiple Lot Owners of a Lot is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Lot Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Lot Owners, unless the Declaration otherwise provides. There is majority agreement if any one of the multiple Lot Owners casts the votes allocated to that Lot without protest being made promptly to the Person presiding over the meeting by any of the other Lot Owners of the Lot.

2.6 Proxies. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each Lot Owner of the Lot may vote or register protest to the casting of votes by the other Lot Owner of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same Lot Owner. All proxies, including irrevocable proxies coupled with an interest, shall automatically cease upon conveyance by the Member of his Lot or upon receipt of actual notice by the Secretary of the Board of the death or judicially declared incompetence of such Member. No proxy shall be valid more than twenty-five (25) months from the date of its execution.

2.7 Record Date. For any meeting of the Members, the Board of Directors may fix in advance a date, not more than fifty (50) days nor less than ten (10) days before the date of such meeting, as a record date for the determination of the Members of record entitled to notice of, and to vote at, such meeting. The Members entitled to vote at any meeting of the Members will be determined as of the applicable record date if one has been fixed as aforesaid, otherwise as of the time the meeting is convened.

2.8 Organization and Conduct of Meetings. All meetings of Members will be called to order and thereafter chaired by the President of the Association. If the President is unavailable, such other officer of the Association or such other Member as may be appointed by the Board of Directors may call the meeting to order and chair the meeting. The Board may also delegate the role of chairing the meeting to the Managing Agent (as defined in Section 3.10 below). The Association's Secretary will act as secretary of each membership meeting. In his absence, the chairman of the meeting may appoint any person (whether a Member or not) to act as secretary thereat. After calling a meeting to order, the chairman thereof may require the registration of all Members intending to vote in person and the filing of all proxies with the election inspector or inspectors, if one or more has/have been appointed (or, if not, with the secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If Directors are to be elected, a tabulation of the proxies so filed, if any Person entitled to vote in such election so requests, will be announced at the meeting (or adjournment thereof) prior to the closing of the election polls. Absent a showing of bad faith on his part, the chairman of the meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of Members and the filing of proxies, to determine the order of the business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal or question-and-answer portion thereof).

2.9 Action Without a Meeting. Any action that, under the provisions of the Arizona Nonprofit Corporation Act, may be taken at a meeting of the Members may be taken without a meeting if authorized by a writing by all of the Persons who would be entitled to vote upon such an action at a meeting and filed with the Secretary of the Association.

2.10 Suspension of Voting Rights. In the event any Lot Owner is in arrears in the payment of any Assessment, late charges, monetary penalties or other fees or charges due under the terms of the Project Documents for a period of thirty (30) days, the Lot Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current and for a period not to exceed sixty (60) days for any infraction of the Project Documents.

2.11 Membership Mandatory. The Membership of the Association shall consist of all record Owners of Lots. Membership in the Association shall be mandatory and such Membership and voting rights are appurtenant to, and may not be separated from, ownership of the Lot. No Owner during his ownership of a Lot shall have the right to relinquish or terminate his Membership in the Association.

### ARTICLE 3 BOARD OF DIRECTORS

3.1 Number. The affairs of this Association shall be initially managed by a board of two (2) directors while Class B Membership exists and thereafter by a board of five (5) directors. The number of directors may be changed from time to time by a vote of the Board of Directors but the number of directors after Class B Membership terminates may never be less than three (3) and must always be an odd number up to a maximum of seven (7) directors. Directors shall be Lot Owners, or authorized representatives of Lot Owners, if a Lot Owner is other than a natural person.

3.2 Term of Office. All directors shall be elected for a term of one (1) year or until their successors are elected and qualified.

3.3 Removal. At any annual or special meeting of the Members, any one or more of the members of the Board of Directors may be removed from the Board of Directors, with or without cause, by Members having more than three-fourths (3/4) of the votes entitled to be cast by the Members present in person or by proxy at the meeting, and a successor shall then and there be elected to fill the vacancy thereby created.

3.4 Compensation. No director shall receive compensation for any service he may render to the Association which is within his duties as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. A director may receive compensation for services rendered to the Association which are outside his duties as a director if the payment of such compensation is approved by all of the other directors.

3.5 Action Taken Without A Meeting. The 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 consent of all the directors. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

3.6 Vacancies. Except with respect to vacancies caused by the removal of a member of the Board of Directors by a vote of the Lot Owners as set forth in Section 3.3 of these Bylaws and except if the Board consists of one member who is a representative of Declarant, all vacancies in the Board of Directors shall be filled by a vote of a majority of the remaining directors though less than a quorum or by a sole remaining director. Any person so elected shall serve the unexpired portion of the prior director's term. Any newly created directorship shall be deemed a vacancy. Any person elected to fill such a vacancy shall serve until the next annual meeting of the members. In the case of the resignation of a Board member at the time the Board consists of a single member, who is a representative of Declarant, the Declarant shall have the right to appoint another Board member to fill the vacancy until the next annual meeting of the Members or until the Declarant elects to call a special meeting of the Members.

3.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors. Such meetings shall be held at least once during each fiscal year.

3.8 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given in writing, by hand delivery, mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

3.9 Quorum. A majority of the 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 of Directors.

3.10 Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice to that director. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting unless such attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.11 Powers and Duties.

(A) The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Project Documents required to be exercised or done by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall have the following powers and duties:

(i) Open bank accounts on behalf of the Association and designate the signatories thereon;

(ii) Make, or contract for the making, of repairs, additions to, improvements to or alterations of the Property and repairs to Areas of Association Responsibility, in accordance with the Project Documents, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(iii) In the exercise of its discretion, enforce by legal means the provisions of the Project Documents;

(iv) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair, and replacement of the Areas of Association Responsibility and provide services for the Property, and where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

(v) Provide for the operation, care, upkeep and maintenance of all of the Areas of Association Responsibility and services of the Property (which may be provided by affiliates of Declarant) and borrow money on behalf of the Association when required in connection with any one instance relating to the operation, upkeep and maintenance of the Areas of Association

Responsibility; provided, however, the consent of Members having at least two-thirds (2/3) of the total votes in the Association shall be obtained in writing or at a meeting called and held for such purpose in accordance with the provisions of these Bylaws in order for the Association to borrow in excess of \$10,000 or to mortgage or encumber the Areas of Association Responsibility as provided more fully in the Articles and Declaration;

(vi) Prepare and adopt an annual budget for the Association prior to the commencement of each fiscal year;

(vii) Adopt and publish Association Rules and regulations governing the use of the Areas of Association Responsibility and facilities and the personal conduct of the Members and their guests, lessees, invitees and family members thereon and establish monetary penalties for the infraction thereof;

(viii) In accordance with these Bylaws, suspend a Lot Owner's voting rights;

(ix) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Project Documents;

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

(xi) Employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

(xii) Cause to be kept a complete record of all 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 any Member entitled to vote;

(xiii) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(xiv) Levy Assessments in accordance with the Declaration and take all necessary action to collect such Assessments;

(xv) As required by the Declaration, issue, or cause an appropriate officer to issue upon demand to any person, a certificate setting forth whether or not any Assessment has been paid;

(xvi) Procure and maintain adequate property, liability and other insurance as required by the Declaration;

(xvii) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;



(xviii) Prepare and file annual tax returns with the federal government and the State of Arizona and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association, including an election to be taxed under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on homeowners associations; and

(xix) Subject to Section 9.1.2 of the Declaration, institute, defend, and intervene in, any litigation or administrative proceedings in its own name or on behalf of the Lot Owners.

(B) The Board of Directors may employ for the Property a "Managing Agent" at a compensation established by the Board of Directors. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Project Documents, except for such duties and services that under the Project Documents may not be delegated to the Managing Agent. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors or the officers of the Association by the Project Documents other than the following powers:

- (i) To adopt the annual budget, any amendment thereto, or to assess any Common Expenses:
- (ii) To adopt, repeal or amend Association Rules;
- (iii) To designate signatories on Association bank accounts;
- (iv) To borrow money on behalf of the Association;
- (v) To acquire and mortgage Lots or other real property.

(C) Any contract with the Managing Agent must provide that it may be terminated with or without cause and without payment of any penalty or termination fee on no more than thirty (30) days' written notice. The term of any such contract may not exceed three (3) years.

#### ARTICLE 4 OFFICERS AND THEIR DUTIES

4.1 Enumeration of Officers. The principal officers of the Association shall be the president, vice-president, the secretary, and the treasurer. The Board of Directors may create such other offices as the affairs of the Association may require. All officers shall be elected by the Board of Directors. The President must be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors.

4.2 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.

4.3 Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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.

4.5 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

4.6 Multiple Offices. Any two or more offices may be held by the same person.

4.7 Powers and Duties. The powers and duties of the officers shall be as follows:

(A) President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Board of Directors or the Members; shall see that orders and resolutions of the Board of Directors are carried into effect; sign checks and promissory notes of the Association; deposit monies in bank accounts of the Association; and shall generally manage the business of the Association.

(B) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(C) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors 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 of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

(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 checks and promissory notes of the Association; shall keep proper books of account, shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting, and deliver a copy of each to the Members; and, in general, perform all the duties incident to the office of Treasurer.

4.8 Officers Authorized to Execute Amendments to Declaration. Any amendments to the Declaration, including the Plat, which are required by the Declaration to be executed by the Association, may be executed by either the President or Vice-President of the Association.

4.9 Compensation. No officer shall receive compensation for any service he may render to the Association which is within his duties as an officer. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties. An officer may

receive compensation for services rendered to the Association which are outside his duties as an officer if the payment of such compensation is approved by the Board.

## ARTICLE 5 MONETARY PENALTIES

5.1 Power of Board of Directors to Impose Monetary Penalties. In accordance with the procedures set forth in this Article 5, the Board of Directors shall have the right to impose reasonable monetary penalties against any Lot Owner who violates any provisions of the Project Documents. Any monetary penalty imposed by the Board of Directors shall be imposed only after the procedures set forth in this Article 5 have been substantially complied with. The requirement of a notice and hearing under this Article 5 shall not apply to the imposition of late fees or charges for non-payment of Assessments which shall be applied automatically upon passage of the applicable grace period established by the Board for payment of Assessments.

5.2 Notice of Violation. If the Board of Directors becomes aware of a violation of the Project Documents and desires to impose a monetary penalty against the Lot Owner who violated the Project Documents, the Board of Directors shall serve the Lot Owner with written notice of the violation. The notice shall contain the following:

- (i) The nature of the alleged violation;
- (ii) The time and place of the hearing to be held by the Board of Directors on the violation, which time shall not be less than ten (10) days from the giving of the notice;
- (iii) An invitation to the Lot Owner to attend the hearing and produce statements, evidence and witnesses on his behalf and advising the Lot Owner that he may be represented at the hearing by an attorney;
- (iv) The proposed monetary penalty to be imposed by the Board of Directors.

5.3 Hearing. The hearing on any alleged violation of the Project Documents shall be held at the time and at the place designated in the notice served pursuant to Section 5.2 of these Bylaws. Proof of service of the notice as required by Section 5.2 of these Bylaws shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who served the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the monetary penalty, if any, imposed by the Board of Directors. Any fine which is imposed by the Board following a hearing pursuant to this Section 5.3 shall be paid by the offending Owner within ten (10) days after a notice of the action of the Board is served upon the Owner. Service of the notice from the Board shall be made in the same manner as service of a Notice of Violation pursuant to Section 5.2 of these Bylaws. Any fines imposed pursuant to this Article V shall be the joint and several liability of all of the joint Owners of the Lot.

## ARTICLE 6 ARCHITECTURAL CONTROL

6.1 Committee Composition. As provided in Section 5.10 of the Declaration, the Board may appoint an Architectural Committee to perform the duties of the Board under Article 3 and any other provisions of the Declaration so delegated. If so appointed, the Architectural Committee shall consist of three (3) persons. None shall be required to be an architect or to meet any other particular qualifications. Such persons need not be, but may be, a member of the Board or an officer of the Association. The Board may increase the number of persons on the Architectural Committee, but the number of persons must always be an odd number. If the Board elects to appoint an Architectural Committee, the following provisions shall apply concerning appointment to and service on the Committee.

6.2 Terms of Office. The term of office for members of the Architectural Committee shall be for a period of one (1) year, or until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Any members who have resigned, been removed, or whose terms have expired may be reappointed.

6.3 Appointment and Removal. Except as may be otherwise provided in the Declaration, the right to appoint and remove all members of the Architectural Committee at any time, shall be and is hereby vested solely in the Board; provided, however, that no member may be removed from the Architectural Committee by the Board except by the vote or written consent of more than fifty percent (50%) of the entire Board.

6.4 Resignations. Any member of the Architectural Committee may resign at any time upon written notice to the Board.

6.5 Vacancies. Vacancies on the Architectural Committee however caused, shall be filled by the Board. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation, or removal of any member thereof.

6.6 Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms of the Declaration, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by the Declaration.

6.7 Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties. The vote or written consent of a majority of the members of the Architectural Committee, at a meeting or otherwise, shall constitute the act of the Architectural Committee unless the unanimous decision of the Architectural Committee is required by any other provision of the Declaration. The Architectural Committee shall keep and maintain a written record of all actions taken by it at such meeting or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services. However, the Architectural Committee may, at the expense of the Association, employ one or more consultants to assist the Architectural Committee.

6.8 Architectural Committee Rules. The Architectural Committee may adopt, amend, and repeal, by unanimous vote or written consent, rules and regulations. These Architectural Committee Rules shall interpret and implement the Declaration by setting standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings and other Improvements, landscaping, color schemes, exterior finishes and materials, and similar features which are required or permitted to be used within the Property.

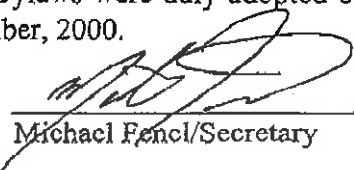
6.9 Waiver. The approval by the Architectural Committee of the plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under the Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

6.10 Liability. So long as a member of the Architectural Committee has acted in good faith on the basis of information actually possessed, neither the Architectural Committee nor such member thereof, shall be liable to the Association, any Owner, or to any other party, for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval or any plans, drawings, or specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development of any portion of the Property; or (iv) the execution and filing of any estoppel certificate, whether or not the facts in the estoppel certificate are correct.

6.11 Time for Approval. In the event the Architectural Committee fails to approve or disapprove any application for approval within thirty (30) days after its receipt of the application, together with complete and legible copies of the supporting plans and specifications, the application shall be deemed approved, and further approval will not be required, and this Article 6 and Section 3.1 of the Declaration will be deemed to have been complied with.

CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 30<sup>th</sup> day of December, 2000.

  
\_\_\_\_\_  
Michael Fencel/Secretary

MERRILL RANCH HOMEOWNERS ASSOCIATION

UNANIMOUS CONSENT IN LIEU OF ORGANIZATION MEETING

RECITALS:

(A) It is inexpedient at this time for the incorporator of Merrill Ranch Homeowners Association, an Arizona non-profit corporation (the "Association") to convene a formal organization meeting of the entire Board of Directors of the Association pursuant to A.R.S. §10-3205.

(B) Pursuant to the authority contained in A.R.S. §10-3821 of the Arizona Non-Profit Corporation Act, without the formality of convening a meeting, the sole Director hereby consents to the following actions of this Association by executing this Unanimous Consent in Lieu of Organization Meeting (the "Consent").

CONSENT:

The undersigned, being all of the Directors of the Association, have executed this Consent with the intent that their action have the same force and effect as if taken at a duly convened meeting of the Directors of the Association and hereby approve the following:

The Articles of Incorporation have been delivered to the Corporation Commission of the State of Arizona, and the same were endorsed by the Corporation Commission of the State of Arizona as "filed" on the 1 day of January, 2001. The following resolutions are unanimously adopted:

RESOLVED, that the Articles of Incorporation as filed with the Arizona Corporation Commission on January 1<sup>st</sup>, 2001 be, and they hereby are, adopted.

RESOLVED FURTHER, that the appointment of Ivy L. Kushner as Statutory Agent of the Association in the State of Arizona as made in said Articles of Incorporation, be, and the same hereby is, ratified and confirmed.

RESOLVED FURTHER, that the number of directors which shall constitute the Board of Directors of the Association while Class B Membership exists shall be two (2).

RESOLVED FURTHER, that the following named persons be, and they hereby are, declared to be the Directors of the Association until their successors are duly appointed or elected and qualified, as applicable:

William O' Brien, Jr.  
Michael Fencel

RESOLVED FURTHER, that the following named persons be, and they hereby are, declared to be the Officers of the Association until his successor(s) are duly appointed:

<u>Name</u>	<u>Office</u>
William O'Brien, Jr.	President/Treasurer
Michael Fencil	Vice-President/Secretary

RESOLVED FURTHER, that the proposed Bylaws of the Association as presented to the meeting, be, and the same are, approved and are adopted as the Bylaws of the Association, and that a copy thereof be identified by the signatures of the Directors of the Association and inserted in the Minute Book.

RESOLVED FURTHER, that the Officers of the Association be, and each of them hereby is, authorized to open various bank accounts for the Association with a bank to be selected by the President of the Association, which bank shall be, and hereby is, authorized to honor from the deposits of the Association, checks and drafts signed by the person or persons whose name and signature appear on the bank's signature card or cards from time to time.

RESOLVED FURTHER, that the present forms of resolutions required by the bank selected for opening the above accounts be, and they hereby are, incorporated herein by this reference, and be, and they hereby are, adopted by this Board of Directors as resolutions of the Association; that the Secretary of the Association be, and he hereby is, authorized to certify as to the passage of resolutions required by the bank as resolutions adopted by this Board of Directors, and the certificate of resolutions for the above accounts is hereby ratified and the Secretary is hereby instructed to attach copies of said resolutions hereto, complete with the names and signatures of the signatories in accordance with the foregoing resolutions.

RESOLVED FURTHER, that this Association ratifies the action previously taken by the President or any other Officer of this Association, and any one of them acting alone, in connection with the incorporation of the Association, and any and all other actions taken to carry out the responsibilities and duties of the Association thereunder.

RESOLVED FURTHER, that a fiscal year, beginning January 1 and terminating December 31 be, and it hereby is, adopted as the fiscal year of the Association.

RESOLVED FURTHER, that each Officer of this corporation is authorized and directed for and on behalf of this Association and under its corporate seal, if required, to make, execute and to file any certificates or reports required by law to be filed in order to maintain the Association's good standing in the State of Arizona.

DATED as of this 1<sup>st</sup> day of January, 2001.

  
WILLIAM O'BRIEN, JR.

  
MICHAEL FENCL

(Constituting the Board of Directors)