

BYLAWS
OF
COUNTRYSIDE COMMUNITY CLUB ASSOCIATION
(As amended at Annual Meeting on January 19, 1999)

ARTICLE I
NAME & LOCATION

The name of the corporation is COUNTRYSIDE COMMUNITY CLUB ASSOCIATION, hereinafter referred to as the "C.C.C.A." The principal office of C.C.C.A. shall be located at 9151 North Bald Eagle Avenue, Tucson, Arizona, but meetings of members and directors may be held at such places within the State of Arizona, County of Pima, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of Countryside Community Club Association and amendments thereto which are filed in the office of the Arizona Corporation Commission.

Section 2. "Assessment" shall mean those assessments to be paid by each Lot Owner for the privileges of the use and enjoyment of the Club Property and for the purpose of maintaining a fund for the operation, maintenance, management, administration and improvement of the Club Property.

Section 3. "C.C.C.A" shall mean and refer to COUNTRYSIDE COMMUNITY CLUB ASSOCIATION, its successor and assigns.

Section 4. "Club Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation for the Countryside Community Club Association and in the Declarations of Covenants, Conditions and Restrictions for the Member Properties.

Section 5. "Club Property" shall mean and refer to that property legally described in Exhibit A, attached thereto and incorporated by reference herein, and including any personal property now or hereafter owned or leased by the C.C.C.A.

Section 6. "Declaration(s)" shall mean and refer to the Declaration(s) of Covenants, Conditions and Restrictions and amendments thereto applicable to the Member Properties recorded in the Office of the Pima County Recorder and shall include covenants for membership assessments running with the land on any individual parcel within the

Member Properties, provided that he same has been approved by U.S. Home Corporation.

Section 7. "Developer" shall mean and refer to U.S. Home Corporation, a Delaware corporation, and its successors in interest pursuant to an instrument duly recorded conveying its interest as Developer.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Member Properties and all improvements thereon, with the exception of common areas.

Section 9. "Member Properties" shall mean and refer to that certain real property described in Exhibit B attached hereto and incorporated by reference herein.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Member Properties, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III MEETING OF CLUB MEMBERS

Section 1. General Meetings. An annual meeting will be held each January to elect new members to the Board of Directors and to present the annual budget. Date, time, and location of this meeting will be at the discretion of the President with concurrence of the Board, but shall be at a time and place reasonably accessible to the Club Members.

Section 2. Special Meetings. Special meetings of the Club Members may be called at any time by the president or by the Board of Directors. The president or the Board of Directors shall call a special meeting upon written request of one-fourth (1/4) of the members who are entitled to vote.

Section 3. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation, or these Bylaws, written notice of each meeting of the Club Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting at least fifteen (15) days before such meeting to each Club Members entitled to vote thereat. 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 Club Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Club 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 or be represented. At such rescheduled meeting, the presence of Club Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes shall constitute a quorum.

Section 5. Proxies. At all meeting of Club Members, each Club 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 Club Member of his Lot.

ARTICLE IV BOARD OF DIRECTORS, SELECTION, AND TERM OF OFFICE

Section 1. Number. The affairs of C.C.C.A. shall be managed by a board of not less than three (3) and not more than five (5) directors. All directors must be Club Members.

Section 2. Term of Office. So as to provide continuity on the Board, effective with the election to be held at the time this amended section is approved, Board members will serve two years terms, staggered, with three directors beginning terms concurrent with the enactment of this amendment for two years and two directors beginning one year terms at that time. Thereafter, in alternating years beginning with the annual meeting one year after the enactment of this amended section, two directors will be elected, each to serve a two-year term and in the other year, three directors will be elected, each to serve a two year term. In order to facilitate this process, the three candidates receiving the highest number of votes in the election held concurrently with the approval of this amended section will serve two year terms and the other two directors elected at that annual meeting will serve one year terms.

Section 3. Removal and Replacement of Directors

a. By the members. Any director may be removed from the Board, with cause, by a simple majority vote of the Club members at a regular or special meeting of the Club Members. At any meeting held for the removal of a director, that director shall be entitled to appear before the membership and address any charges of misconduct prior to the taking of a vote.

b. For failure to attend meetings. If a director fails to attend three consecutive regularly scheduled meetings, the Board shall declare that seat vacant.

c. Replacement of Director. In the event of the death, or resignation, or removal of a director, a successor shall be selected by the remaining Board members and shall serve for the unexpired term of the predecessor. In the event there is less than four months remaining in the unexpired term, the remaining Board members may choose not to appoint a replacement, providing that there are at least three remaining Board members.

Section 4. Compensation. No director shall receive compensation for any service he may render the C.C.C.A. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Club Members. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Those nominated will be members of C.C.C.A.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Board member or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation for C.C.C.A. the persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. If the meeting falls on a legal holiday, then that meeting shall be held within 7 days at the discretion of the President and with the concurrence of a majority of Board members.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of C.C.C.A., or by any two 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 the power to:

A. Adopt and publish rules and regulations governing the use of the Club Property and its facilities, and the personal conduct of the Club Members and their guests thereon, and to establish penalties for the infraction thereof;

B. Suspend a Club Member's voting rights use privileges of the Club Property during any period in which such Club Member shall be in default in the payment of any assessment levies by C.C.C.A. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

C. Exercise for C.C.C.A. all powers, duties and authority vested in or delegated to C.C.C.A. and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, 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;

E. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

F. Enforce the provisions of the Declaration of Covenants, Conditions and Restrictions for the Member Properties relating to use of the Club Property; and

G. Enforce the rules and regulations for the use of the Club Property as they may be, from time to time, promulgated by the Board of Directors of C.C.C.A.

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

A. 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 Club 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 C.C.C.A., 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 the dwelling unit of each Club Member at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner or if the Board shall so decide that the assessment shall be paid as part of the general assessment levied by a homeowner's association for the Member Property, then to such association subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within twenty (20) days after due date or to bring an action at law against the owner personally obligated to pay the same.

D. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. As reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

E. Procure and maintain adequate liability and hazard insurance on the Club Property in accordance with Article VIII herein;

F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

G. Cause the Club Property to be maintained;

H. Enforce the Declarations for the Member Properties, insofar as they pertain to the Club Property and the C.C.C.A.

ARTICLE VIII INSURANCE

The Board shall obtain the following types of insurance for C.C.C.A.:

Section 1. Hazard Insurance. The insurance policy shall protect against at least:

A. The loss or damage by fire or other hazards that are normally covered by the standard extended coverage endorsement; and

B. All other perils customarily covered for similar types of projects, including those covered by the standard "All-Risk" endorsement. The foregoing coverage must cover all of the Club Property except for those items which are normally excluded from coverage, i.e., land, foundation, excavation and so on. Fixtures, building service equipment, as well as personal property and supplies of the Club Property should be covered.

The amount of the insurance should cover 100% of the replacement cost of the Club Property facilities. Coverage does not need to include land, foundation, excavations and other items that are usually excluded from insurance coverage.

The following additional endorsements shall be obtained:

(1) Agreed Amount and Inflation Guard Endorsement when obtainable; and

(2) If there is a construction code provision that requires changes to undamaged portions of the buildings even when only part of the project is destroyed by an insured hazard, then construction Code Endorsements shall be maintained. Typical endorsements include Demolition Cost Endorsements, Contingent Liability From Operation of Building Laws Endorsements and Increased Cost of Construction Endorsement.

Section 2. Flood Insurance. If any part of the Club Property is in a special flood hazard area, as defined by the Federal Emergency Management Agency, the C.C.C.A. must maintain a "Master" or "Blanket" policy of flood insurance. The policy should cover any buildings on the Club Property and any other property owned by C.C.C.A.

The amount of insurance shall be at least equal to the lesser of (1) 100% of the current replacement cost of all buildings and other insurable property located in the flood hazard area; or (2) the maximum coverage available for the Club Property under the National Flood Insurance Program.

Section 3. Liability Insurance. The C.C.C.A. must maintain a comprehensive general liability insurance policy covering all of the Club Property, public ways and any other areas that are under its supervision. The policy should provide coverage of at least \$1,000,000.00 for bodily injury and property damage for any singly occurrence.

The liability insurance should provide coverage for: (1) bodily injury and property damage that results from the operation, maintenance or use of the Club Property and the facilities located thereon; and (2) any legal liability that results from lawsuits related

to employment contracts in which C.C.C.A. is a party.

The policy must provide for at least ten days written notice to C.C.C.A. before the insurer can cancel or substantially modify it.

Section 4. Fidelity Bonds. The C.C.C.A. must have blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by C.C.C.A., whether or not they receive compensation for their services. A management agent that handles funds for C.C.C.A. should also be covered by its own fidelity bond.

Except for fidelity bonds that a management agent obtains for its personnel, all other bonds should name C.C.C.A. as an obligee and should have their premiums paid by C.C.C.A.

The fidelity bond should cover the maximum funds that will be in the custody of C.C.C.A. or its management agent at any time while the bond is in force. In addition, the bond coverage must at least equal the sum of three months assessments (i.e., for membership assessments) on all units or lots having membership rights in C.C.C.A., plus reserve funds of C.C.C.A.

The bonds shall include a provision that calls for ten days written notice to C.C.C.A. or insurance trustee prior to cancellation or substantial modification of the bond for any reason.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of C.C.C.A. shall be a president and one or more vice presidents, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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 Club Members.

Section 3. Term. The officers shall be elected annually by the Board and each shall hold office for two (2) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of C.C.C.A. may require, each of whom shall hold office for such period, having 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 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 he replaces.

Section 7. Multiple Offices. Any two or more offices may be held by the same person except the offices of president and secretary.

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 co-sign 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, 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 Club Members; keep the corporate seal of C.C.C.A. and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Club Members; keep appropriate current records listing the Club Members and their addresses; and shall perform such other duties as required by the Board;

D. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds belonging to the Association and shall disburse such funds as directed by resolution of the Board of Directors. In addition, the treasurer shall sign all promissory notes of the Association and insure that all checks of the Association are signed by the appropriate persons designated by the Board of Directors. The treasurer shall keep proper books of account and direct and assist with an annual audit or review of the Association books {as defined by the American Institute of Certified Public Accountants}. An audit shall be conducted during even numbered years and a review shall be conducted during odd numbered years. The audit or review shall be conducted by an independent certified public accountant at the completion of each fiscal year. The treasurer shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at its regular annual meeting, and deliver a copy of each to the Member.

E. Delegation of Duties. Upon resolution of the Board, the duties of the officers may be delegated to employees, outside contractors or others as deemed appropriate by the Board of Directors. All duties so delegated shall be performed under monitoring by the Board of Directors.

ARTICLE X COMMITTEES

The C.C.C.A. may appoint a Capital Improvement Committee as provided in the Declaration, and shall appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI BOOKS AND RECORDS

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

ARTICLE XII ASSESSMENTS

As more fully provided in the Declarations, each Club Member is obligated to pay to C.C.C.A. directly, or to C.C.C.A. indirectly through the Club Member's homeowner's association, certain assessments (membership assessments) which are secured by a continuing lien upon the property against which the assessment is made. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be deemed delinquent and shall bear interest at the rate of twelve percent (12%) per annum. The C.C.C.A. may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of 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 Club Property or abandonment of his Lot. The assessment to be paid by each Owner for membership rights and use of the Club Property shall be set by the Board of Directors from time to time, in accordance with the Declarations of Covenants, Conditions and Restrictions as recorded for the Member Properties.

ARTICLE XIII CORPORATE SEAL

The C.C.C.A. shall have a seal in circular form having within its circumference the words "COUNTRYSIDE COMMUNITY CLUB ASSOCIATION."

ARTICLE XIV
AMENDMENTS

These Bylaws may be amended at a regular or special meeting of the Club Members, by a vote of a majority of a quorum of Club Members present in person or by proxy.

ARTICLE XV
CONSTRUCTION

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 the Articles or Bylaws, the Declaration shall control.

ARTICLE XVI
MISCELLANEOUS

The fiscal year of C.C.C.A. shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

EXHIBIT A

COUNTRYSIDE COMMUNITY CLUB PROPERTY

All of that portion of the South half of Section 24 in Township 12 South of Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the western most corner of Lot 35 in Countryside, Lots 1 through 190, a subdivision on record in the office of the County Recorder of Pima County, Arizona in Book 31 of Maps and Plats at Page 5 thereof;

Run thence south $34^{\circ} 16' 21''$ west, a distance of 81.56 feet to a point on the southwesterly right of way line of Bald Eagle Avenue as shown in Book 626 of Dockets at Page 419 thru 422 thereof, said point being the TRUE POINT OF BEGINNING;

Run thence south $44^{\circ} 24' 39''$ east along said right of way line a distance of 411.96 feet to a point;

Thence south $25^{\circ} 00' 21''$ west, a distance of 171.22 feet to a point;

Thence south $11^{\circ} 00' 21''$ west, a distance of 262.00 feet to a point;

Thence north $68^{\circ} 14' 39''$ west, a distance of 78.00 feet to a point;

Thence south $55^{\circ} 33' 21''$ west, a distance of 601.00 feet to a point;

Thence north $61^{\circ} 26' 39''$ west, a distance of 389.62 feet to a point on a curve at which point the radius of said curve bears south $67^{\circ} 39' 10''$ east;

Thence northeasterly around said curve to the right whose radius is 353.00 feet a distance of 243.73 feet to a point of reverse curvature;

Thence northeasterly around said curve to the left whose radius is 1002.00 feet, a distance of 483.29 feet to a point of tangency;

Thence north $34^{\circ} 16' 21''$ east, a distance of 404.80 feet to a point, said point being the TRUE POINT OF BEGINNING.

Less any portion of a well site as described in Book 6189 of Dockets at Page 285 thereof.

Said parcel containing 10.35 acres more or less.

EXHIBIT B

COUNTRYSIDE COMMUNITY CLUB MEMBER PROPERTIES

All of those portions of the Southwest quarter of Section 24 in Township 12 South of Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Parcel A

Lots 1 thru 190 and Block 'A' of COUNTRYSIDE, Pima County, Arizona, as shown by map on file in Book 31 of Maps and Plats at Page 5, Pima County Records, EXCEPTING therefrom Block 'A' thereof.

Parcel B

Lots 191 through 447 and Block 'B,' 'C' & 'D' of COUNTRYSIDE, Pima County, Arizona, as shown by map on file in Book 32 of Maps and Plats at Page 83, Pima County Records, EXCEPTING therefrom, Blocks 'B,' 'C' & 'D' thereof.

Parcel C

Blocks 1, 6, & 8 of COUNTRYSIDE, Blocks 1 thru 10, Pima County, Arizona, as shown by map on file in Book 36 of Maps and Plats at Page 42, Pima County Records.

Parcel D

Lots 1 thru 72, COUNTRYSIDE SHADOWS, Pima County, Arizona, as shown by map on file in Book 37 of Maps and Plats at Page 37, Pima County Records.

Parcel E

Lots 1 thru 239, COUNTRYSIDE TERRACE, Pima County, Arizona, as shown by map on file in Book 37 of Maps and Plats at Page 51, Pima County Records.

Parcel F

Lots 240 thru 398 and Block 'A' of COUNTRYSIDE TERRACE, Pima County, Arizona, as shown by map on file in Book 37 of Maps and Plats at Page 53, Pima County Records, EXCEPTING therefrom, Block 'A' thereof.

Said parcels, A thru F, containing 304 acres.