

**BYLAWS  
OF  
COUNTRYSIDE VILLAS ASSOCIATION, INC.**

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is COUNTRYSIDE VILLAS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 5363 East Pima, Second Floor, in 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 Villas Association, Inc., and amendments thereto which are filed in the office of the Arizona Corporation Commission.

**Section 2.** "Association" Shall mean and refer to COUNTRYSIDE VILLAS ASSOCIATION, INC., its successors and assigns.

**Section 3.** "Common Area(s)" shall mean all real property, whether improved or unimproved, designated as Common Area "A" and "B" on the subdivision plat and owned by the Association for the common use and enjoyment of the Owners. "Common Property" shall mean the Common Areas and the recreational facilities, if any, including any personal property now or hereafter owned by or leased by the Association.

**Section 4.** "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions of Countryside Villas Association, Inc., recorded in Book 7404 at Page 598 in the records of the Pima County Recorder, Pima County, Arizona, and any amendments thereto.

**Section 5.** "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 6.** "Lot" shall mean any plot of land shown upon the recorded subdivision plat and all improvements thereon, with the exception of the Common Areas and recreational facilities.

**Section 7.** “Member” shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

**Section 8.** “Owner” shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot covered by the Declaration, but excluding those having such interest merely as security for the performance of an obligation.

### **ARTICLE III** **MEETING OF MEMBERS**

**Section 1.** **Annual Meetings.** The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. 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. [*3<sup>rd</sup> Monday in May*]

**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 one-fourth (1/4) of the Class A members who are entitled to vote.

**Section 3.** **Notice of Meetings.** Except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws, 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, at least fifteen (15) days before such meeting to each member 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.** Except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented 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 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.

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

**Section 1.**            **Number.**     The affairs of this Association shall be managed by a Board of not less than three (3) and not more than five (5) directors who need not be Members of the Association. ***[See Amendment dated 5/17/99 on back of these Bylaws]***

**Section 2.**            **Term of Office.**     At the first annual meeting the Members shall elect the successors of the initial Board of Directors set forth in the Articles of Incorporation. Each director shall serve a one (1) year term until their successors are elected and qualified; provided that in the event of failure to hold such meeting or to hold such election at such meeting, such election may be held at any special meeting of the membership called for that purpose. ***[See Amendment dated 5/17/99 on back of these Bylaws]***

**Section 3.**            **Removal.**         Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the even of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and 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. 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 Members of the Association. 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. Such nominations may be made from among the Members or non-members.

**Section 2.**        **Election.** 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 person 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 upon 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 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 Property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

**B.** Suspend the voting rights and right to use of the recreational facilities (except for rights of ingress and egress through the Common Areas) 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 after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

**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 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; and

**F.** Enforce the provisions of the Declaration of Covenants, Conditions and Restrictions; and

**G.** Enforce the Rules and Regulations for the Association as they may be, from time to time, promulgated by the Board.

**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 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 at least thirty (30) days in advance of each annual assessment period; and

(2) Send written notice of each assessment to every Owner subject thereto;

**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 certificate shall be conclusive evidence of such payment;

**E.** Procure and maintain adequate liability, hazard, or other insurance on property owned by the Association in accordance with the Declaration and Article VIII;

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

**G.** Cause the Common Property to be maintained; and

**H.** Enforce the Declaration of Covenants, Conditions and Restrictions.

## **ARTICLE VIII** **INSURANCE**

The Board shall obtain the following types of insurance for the Association:

**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 Common 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 on the Common Property should be covered.

The amount of the insurance should cover 100% of the replacement cost of the Common 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.

(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 Common Property is in a special flood hazard area, as defined by the Federal Emergency Management Agency, then the Association must maintain a “Master” or “Blanket” policy of flood insurance. The policy should cover any buildings on the Common Property owned by the Association.

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 Common Property under the National Flood Insurance Program.

**Section 3. Liability Insurance.** The Association must maintain a comprehensive general liability insurance policy covering all of the Common Property, public ways and recreational facilities 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 Common Property and recreational facilities located thereon; and (2) any legal liability that results from lawsuit related to employment contracts in which the Association is a party.

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

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

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

The fidelity bond should cover the maximum funds that will be in the custody of the Association 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 on all units or lots having membership rights in the Association, plus reserve funds of the Association.

The bonds shall include a provision that calls for ten days written notice to the Association 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 this Association 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 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 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 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 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 maybe 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 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 listing the Members of the Association and their addresses; and shall perform such other duties as required by the Board; and

**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; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meetings, and deliver a copy of each to the Members.

## **ARTICLE X COMMITTEES**

The Association shall appoint an Architectural Control 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 the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and 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 XII ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special 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 from the date of delinquency at the rate of twelve percent (12%) per annum. The Association 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 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 Property or abandonment of his Lot. The assessment to be paid by each Owner shall be set by the Board of Directors from time to time, in accordance with the Declaration.

## **ARTICLE XIII CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words "COUNTRYSIDE VILLAS ASSOCIATION, INC."

## **ARTICLE XIV AMENDMENTS**

These Bylaws may be amended as follows:

1. As long as Developer is a Class B or Class A member, these By laws may be amended by Developer, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership; and

2. 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, except that Developer shall have the right to veto amendments as long s it is a Class B or Class A member, and the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

## **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 the Association shall begin on the first (1<sup>st</sup>) day of January and end on the thirty-first (31<sup>st</sup>) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing Bylaws were adopted by the Board of Directors of the COUNTRYSIDE VILLAS ASSOCIATION, INC., as of this 6th day of December, 1984.

Balwant Cheema (signature on file)  
Secretary

AMENDMENT TO BYLAWS  
OF  
COUNTRYSIDE VILLAS ASSOCIATION, INC.

THESE AMENDMENTS are to the Bylaws of Countryside Villas Association, Inc., dated December 6, 1984. The amendments were approved by a vote of a majority of the quorum of members who were present in person or by proxy at a meeting held on MAY 17, 1999 —.

Article IV, Section 1, "Number" shall be amended by deleting Section 1 and substituting the following new Section 1:

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than three (3) and not more than five (5) directors who must be Members of the Association.

Article IV, Section 2, "Term" shall be amended by deleting Section 2 and substituting the following new Section 2:

Section 2. Term. At the annual meeting in 1999, two persons shall be elected for a term of two years and three people shall be elected for a term of one year. Thereafter, each member of the Board of Directors shall serve for a term of two years. All directors shall serve until their successors are elected and qualified.

Dated this 17<sup>th</sup> day of May, 1999.

COUNTRYSIDE VILLAS ASSOCIATION, INC.

By: Gene Fanning  
Its: President

Attest:

Bonnie L. Todd  
Secretary

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**AMENDMENT TO BYLAWS OF  
COUNTRYSIDE VILLAS ASSOCIATION, INC.**

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This Amendment to the Bylaws of Countryside Villas Association, Inc. dated December 6, 1984 was approved by a vote of the majority of the quorum of the members present in person or by proxy at a meeting held on May 19, 2003.

Article VI, Section 1, shall be amended by deleting it in its entirety and substituting the following new Article VI, Section 1:

The Board of Directors shall hold a minimum of 8 regular meetings during each fiscal year. The meetings shall be held at a date, time and place determined by the Board.

Dated: May 19, 2003

COUNTRYSIDE VILLAS ASSOCIATION, INC.

By: Gene Fanning  
Its President

Attest:

Tom Pitt  
Secretary

**AMENDMENT TO THE BYLAWS  
OF  
COUNTRYSIDE VILLAS ASSOCIATION, INC.**

This Amendment to the Bylaws of Countryside Villas Association, Inc. (the "Bylaws") is made as of the 19<sup>th</sup> day of September, 2011.

Pursuant to the requirements in Article III, Section 4 of the Bylaws, and Arizona Revised Statutes 10-3708, 10-11003, and 10-11021, the Bylaws are amended as follows:

**DELETE:** Article VI, Section 1, Regular Meetings, is deleted in its entirety and replaced with:

**ADD:** Article VI, Section 1, Regular Meetings, Regular meetings of the Board of Directors shall be held at least four times per year, at a date, time, and location as may be fixed by from time to time by resolution of the Board of Directors, There shall be a minimum of four quarterly meetings of the Board of Directors held during each fiscal year.

IN WITNESS WHEREOF, the President of Countryside Villas Association, Inc. certifies that this Amendment to the Bylaws was approved by the lesser of two-thirds of the votes cast or a majority of the voting power, subject to the quorum requirement.

COUNTRYSIDE VILLAS ASSOCIATION, INC.

An Arizona non-profit corporation

BY:   
ITS: President

ATTEST:

  
Secretary