

Countryside Valley
Declaration of
Covenants, Conditions and Restrictions
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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
COUNTRYSIDE VALLEY

This Declaration, made this 14 day of May, 1986, by the PIONEER TRUST COMPANY OF ARIZONA, an Arizona corporation, as Trustee under Trust No. 11,523, and U.S. HOME CORPORATION, a Delaware corporation, as Beneficiary, its successors and assigns, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the County of Pima, State of Arizona, described on Exhibit A attached hereto and incorporated by reference herein, which shall hereinafter be referred to as "the Property"; and

WHEREAS, said Plat designates the Common Areas of the Property, the areas and dimension for each Lot on the Property, which Lot areas are numbered 1 through 123, boundary line, and easements; and

WHEREAS, Declarant proposes to construct individual Dwelling Units upon the subdivided portion of the Property and other improvements upon the designated Common Areas, and to sell and convey the same, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens, hereinafter set forth, each of which is for the benefit of the Property and the subsequent owners thereof.

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, conveyed, encumbered, leased and used subject to the following covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. The covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens set forth herein shall run with the Property, shall be binding upon all persons having or acquiring any interests in the Property or any part thereof, shall inure to the benefit of and be binding upon Declarant, its successors in interest, by any owner or his successors in interest or any entity having an interest in their enforcement.

No provision contained herein shall be construed to prevent or limit Developer's right to complete development of the Property

And construction of improvements thereon, or to modify the design of the homes or Dwelling Units to be built upon said Property, nor Developer's right to maintain model homes, construction, sales or leasing offices or similar facilities on the Property, nor

Developer's right to post signs incidental to construction, sales or leasing, nor Developer's right to do anything that it may, in its sole discretion, deem necessary and proper for the full development of the Property.

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings hereinafter assigned.

Section 1.01. "**Annual Assessments**" shall mean those assessments levied by the Association and used to promote the recreation, health, safety and welfare of the Members and their guests and family, for the improvement and maintenance of the Common Areas including but not limited to the operation and maintenance of the private streets and sewer system within the Common Areas, and for all other purposes set forth in the Articles, Bylaws and this Declaration.

Section 1.02. "**Articles**" shall mean the Articles of Incorporation of the Association and amendments thereto which are, or shall be filed in the office of the Arizona Corporation Commission.

Section 1.03. "**Association**" shall mean the Countryside Valley Homeowners Association, Inc., an Arizona nonprofit corporation which shall be formed prior to the conveyance of the first Lot, its successors and assigns.

Section 1.04. "**Board**" shall mean the Board of Directors of the Association.

Section 1.05. "**Bylaws**" shall mean the code of rules adopted for the regulation and management of the affairs of the Association and any amendments thereto.

Section 1.06. "**Club Member**" shall mean the Owner of a Lot who has the privileges of the use and enjoyment of the Club Property, and who has a duty to pay Membership Assessments for said privileges, as further provided herein.

Section 1.07. "**Common Area(s)**" shall mean all real property designated as Common Areas A, B, and C on the plat, whether

improved or unimproved, owned by the Association for the common use and enjoyment of the owners. "Common Property" shall mean the Common Areas including any personal property now or hereafter owned by or leased by the Association.

Section 1.08. "**Countryside Community Club**" or "**Club Property**" shall mean all real property described on Exhibit B attached hereto and incorporated by reference herein, and the improvements located thereon.

Section 1.09. "**Countryside Community Club Association**" or "**C.C.C.A.**" shall mean a nonprofit corporation or association which is formed for the operation, maintenance, management, administration and improvement of the Countryside Community Club.

Section 1.10. "**Declarant**" shall mean PIONEER TRUST COMPANY OF ARIZONA, as Trustee under Trust No. 11,523 and U.S. HOME CORPORATION, as Beneficiary, its successors and assigns if such a successor and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 1.11. "**Declaration**" or "**Restrictions**" shall mean this instrument and any amendments thereto.

Section 1.12. "**Developer**" shall mean U.S. HOME CORPORATION, a Delaware corporation authorized to do business in Arizona or its nominees, successors or assigns.

Section 1.13. "**Dwelling Unit**" shall mean all of that permanent physical structure located on the property of the Owner, including but not limited to the single-family residential dwelling and carport.

Section 1.14. "**Lot**" shall mean any plot of land shown upon the recorded Plat of the Subdivision and all improvements thereon which are conveyed or to be conveyed to the Owners by Declarant or Developer, with the exception of the Common Areas.

Section 1.15. "**Member**" shall mean and refer to every person and/or entity who holds membership in the Association.

Section 1.16. "**Membership Assessments**" shall mean those assessments to be paid by each Lot Owner to the Association or to the C.C.C.A. for 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 1.17. **"Owner(s)"** or **"Lot Owners"** shall mean and refer to (1) the record owner, whether one or more persons or entities, or (2) the holder of equitable or beneficial title (or legal title if same has merged) of any Lot under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation, or a lessee or tenant of an Owner as defined above.

Section 1.18. **"Person"** shall mean a natural individual or any other entity with the legal right to hold title to real property.

Section 1.19. **"Plat"** shall mean the Subdivision Plat covering the property.

Section 1.20. **"Property"** or **"Subdivision"** shall mean all that real property identified in the Plat and legally described in Exhibit A attached hereto and incorporated herein by reference.

Section 1.21. **"Reconstruction Assessments"** shall mean those assessments levied by the Association against all Lot Owners to cover the costs of repair or replacement of damaged or destroyed parts of the Common Areas when insurance proceeds are insufficient to cover the costs of the same.

Section 1.22. **"Rules"** shall mean the rules adopted by the Board pursuant to the Bylaws.

Section 1.23. **"Special Assessments"** shall mean those assessments which the Association may levy for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that such assessment shall have the assent of the Members set forth in Section 6.04 herein.

ARTICLE II GENERAL RESTRICTIONS

All property within the Subdivision shall be held, used and enjoyed subject to the following limitations and restrictions.

Section 2.01. **Insurance Rates.** Nothing shall be done or kept on any Lot or upon the Common Areas which will increase the rate of or which will result in the cancellation of insurance on any such property or which would be in violation of any law.

Section 2.02. Signs. No signs of any kind shall be displayed which are visible from neighboring property without the approval of the Board except:

- A. Such signs as may be required by legal proceedings;
- B. Such signs as may be used by Developer in connection with the development of the Subdivision and sale of Lots; and
- C. Such signs as may be approved by the Board indicating a Lot is for sale or lease.

Where the Board's approval is required, it shall approve the nature, composition, number, size and location of all signs, unless excepted hereunder.

Section 2.03. Animals. No animals of any kind shall be raised, bred, or kept, except that a reasonable number of generally recognized house or yard pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No animal shall be allowed to become a nuisance. A "reasonable number" as used in this Section shall ordinarily mean no more than two pets per household; provided, however, that the Board may determine, in this sole and absolute discretion, whether a particular animal is a generally recognized house or yard pet or a nuisance, or whether the number of animals is reasonable.

Section 2.04. Trash Containers. No garbage or trash shall be placed or kept on any property within the Subdivision, except in covered containers of a type, size, and style which have been installed by the Developer or approved by the Board. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be allowed.

Section 2.05. Mail Boxes. The Board shall determine the location, color, size, design, lettering and all other particulars of all mail and paper delivery boxes, and standards and brackets and name signs for same in order that the area be strictly uniform in appearance with respect to the matters referred to in this Section and in order that the boxes comply with standards promulgated by the United States Postal Service.

Section 2.06. Vehicles. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, and motorcycles shall be subject to the Rules, which may prohibit or limit the use of said vehicles, provide parking regulations, or adopt other rules regulating same.

Section 2.07. Backboards. No basketball backboards of any kind shall be erected or attached, by either a permanent or temporary method, to and Dwelling Unit.

Section 2.08. Garage Doors. All garage doors of the Dwelling Units shall remain fully lowered and closed at all times unless the door is being used for purposes of ingress and egress.

Section 2.09. Aerials. No aerial, for use of TV, radio or other forms of communication reception, of a temporary or permanent character, shall be erected on any Lot or attached to the principal residence located upon any Lot in this Subdivision unless approved by the Board of Directors.

Section 2.10. Nuisances. After completion of construction of any Dwelling Units and landscaping of Lots, no rubbish or debris of any kind shall be placed or permitted to arise there-from so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon such property so as to be offensive or detrimental to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property without the prior written approval of the Board. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

Section 2.11. Unsightly Articles. No unsightly articles shall be permitted to remain so as to be visible from adjoining Lots or from the streets or public way. At no time shall there be any outside storage of commercial vehicles, boats, trailers, campers, motor vehicles, mobile homes or house trailers of any type on the Property or adjacent thereto. At no time shall there be any outside storage of motor vehicles in stages of construction, reconstruction, modification or rebuilding of parts of motor vehicles such as frames, bodies, engines or other parts or accessories. Any and all items stored in a carport or garage area shall be stored so as to conceal the same from view from adjoining property or from the street or public way. Grass, shrub or tree clippings and all clotheslines, machinery, storage piles, wood poles, garbage or trash containers shall be kept within an enclosed structure or appropriately screened from view of adjoining property or from streets or public way except when necessary to make available for collection and then, only the shortest time reasonably necessary to effect such collection. The Board shall have sole discretion in determining if any activity of an Owner is in violation of this Section 2.11

Section 2.12. Diseases and Insects. No owner shall permit anything or condition to exist upon any property within the Subdivision which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 2.13. Native Growth and Plantings. The native growth and plantings on all Common Areas shall not be destroyed or removed unless written permission is first obtained from the Board. Owners must obtain the Board's written approval before planting in the Common Areas. The provision shall not apply to Developer.

Section 2.14. Drainage. There shall be no interference with the established drainage pattern over any property within the Subdivision unless adequate provision is made for proper drainage conforming to applicable city and county rules, regulations, ordinances, and drainage criteria, and is approved by Pima County Flood Plain Board. For purposes hereof, "established drainage" is defined as the drainage which exists at the time the overall grading of the Property is complete, or which is shown on any plans conforming to city rules, regulations, ordinances, and drainage criteria approved by the Pima County Flood Plain Board.

Section 2.15. Improvements and Alterations. There shall be no excavation or construction or alteration which in any way alters the exterior appearance of any improvement in the Subdivision, including rocks, stones, gravel or earth without the prior written approval of the Board. No fences, hedges, clotheslines, or walls shall be maintained upon the Property except such as are installed in accordance with the initial construction of building located thereon or as approved by the Board.

Section 2.16. Obstruction of Fire Safety Route. No addition to or alteration of the garage/carport portion of any Dwelling Unit, nor the placement of any structure (permanent, semi-permanent, movable or immovable, including but not limited to temporary storage sheds, playhouses and pet houses) machinery, equipment, tools or materials shall be made upon any Lot of the Property with the effect of leaving less than a thirty-six inch (36") wide, safe, accessible and unobstructed fire escape route parallel to the exterior front wall of the living quarters of any Dwelling Unit.

Section 2.17. Utility Easements. There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including but not limited to water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in, and under the roofs and exterior walls of the Dwelling Units. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities or service lines may be installed relocated on the Property except as initially designed and installed or thereafter approved by the Board and applicable city, county, state or federal agencies. This easement shall in no way affect any other recorded easements on the Property. In no event shall any portion of the above mentioned easements for utilities be construed to authorize the placing or installing of sewers, electrical lines, water lines and other utilities under any permanent building structure constructed on the Property. This easement shall be limited to improvements as originally constructed. There shall be and access easement for the delivery and collection of the U.S. Mail.

Section 2.18. Electrical Service and Telephone Lines. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead; provided, however, that if the provisions hereof are waived by the Declarant, it shall not be prohibited from erecting temporary power or telephone structures incident to construction; and further provided, however, that one such waiver shall not constitute a waiver as to other Lots or lines.

Section 2.19. Right of Inspection. During reasonable hours, any member of the Board, or any authorized representative of any of them shall have the right to enter upon and inspect any property within the Subdivision (except the interior of Dwelling Units), for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

Section 2.20. Violation of Rules. If any Owner, his family, or any licensee, tenant, or lessee or invitee violates the Rules, the Board may impose a special assessment upon such owner of not more than Fifty Dollars (\$50.00) for each violation and/or may suspend the right of such person to use the Common Property, with the exception of the Owner's right of ingress and egress over and across the Common Areas, under such conditions as the Board may specify, for a period not to exceed thirty (30) days or each

violation. Before invoking any such assessment or suspension, the Board shall give such person notice and a hearing.

Any assessment imposed hereunder which remains unpaid for a period of thirty (30) days or more, shall become a lien upon the Owner's Lot and recorded pursuant to this Declaration.

Section 2.21. Exemption of the Developer. Nothing in these Restrictions shall limit the right of Developer to complete excavation, grading, and construction of any improvements, including electrical service or telephone lines, to any property within the Subdivision owned by Declarant, or to alter the foregoing, including alterations of design or materials or both, or to construct such additional improvements as Developer deems advisable in the course of development of the Subdivision so long as any Lot or Dwelling Unit herein remains unsold, or to use any structure in the Subdivision as a model home or real estate sales or leasing office. The rights of Developer hereunder or elsewhere in the Restrictions may be assigned.

ARTICLE III
OWNERS' PERMITTED USES, RESTRICTIONS
AND RIGHTS OF DWELLING UNITS AND LOTS

Section 3.01. Private Residential Purposes. Lots and the Dwelling Units thereon shall be occupied and used by the respective Owners solely for private residential use for the Owner, his family, tenants and social guests and for no other purpose. No gainful occupation, profession, trade, or nonresidential use shall be conducted on any such property except that Developer may maintain sales or construction offices and sales models on the Property.

Section 3.02. Renting. The Owner shall have the right to lease or rent his Dwelling Unit; provided, however, that any lease agreement, verbal or written with a tenant or lessee shall provide, in writing, that any such tenant or lessee shall abide by the Rules, Bylaws, Articles, and the provisions of this Declaration. In the event any such lease agreement does not contain the provisions as described in the preceding statement, such lease agreement shall, at the option of the Declarant or the Board, be null and void.

Section 3.03. Common Walls. The rights and duties of the Owners with respect to common walls shall be as follows:

A. Each wall, including patio walls, which is constructed as part of the original construction of the Dwelling Unit, any part of which is placed on the dividing line between separate Dwelling Units, shall constitute a common wall.

With respect to any such wall, each of the adjoining Owners shall assume the burden and be entitled to the benefits recited in this Section 3.03, and the extent consistent. The general rules of law regarding common walls shall be applied.

B. The Owners of contiguous Dwelling Units who have a common wall shall have reciprocal easements for support and an equal right to use such wall provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

C. Unless other provisions of this Section 3.03 are applicable, the costs of reasonable repair and maintenance of a common wall shall be shared equally by the Owners who make use of the common wall.

D. In the event any common wall is damaged or destroyed through the acts of one adjoining Owner, or any of his guests or agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other Owner of the full use and enjoinder of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the other Owner.

E. In the event any common wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners, his agents, guests or family (including ordinary wear and tear and deterioration from lapse of time) then in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

F. Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any common wall without the prior consent of the Board. In addition to meeting the other requirements of these Restrictions and of any building code or similar regulation or ordinances, any owner proposing to modify, make additions to or rebuild his Dwelling Unit in any manner which requires the extension or other alteration of any common wall shall first obtain the written consent of the Board which shall determine the adjoining Owner's preference concerning the proposed modification, extension or alteration of the common wall prior to giving any written consent thereto.

G. In the event of a dispute between Owners with respect to the repair or rebuilding of a common wall or with respect to the sharing of cost thereof, when upon written request of one of such Owners delivered to the Association, the matter shall be heard and determined by the Board; the judgment of the Board in this matter shall be final and binding.

Section 3.04. Easement for Encroachments. Each Lot shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Developer. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event Dwelling Units are partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Dwelling Unit due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

Section 3.05. Easement for Wall Repair. There is hereby created on behalf of each Lot Owner, his agents and assigns forever a four foot (4') easement of ingress and egress, inspection, maintenance and repair running parallel to any exterior wall of the Owner's Dwelling Unit to which access may not be had without entry through and across the Property of the adjacent Lot Owner; provided however, that said easement shall be used during reasonable hours and for reasonable periods of time only.

Section 3.06. Architectural Control. Following the original construction and build out of the Property by Developer, or its assigns and successors in interest, no building, fence, wall, or other structure shall be commenced, erected or maintained upon a Lot, nor shall any exterior addition to, or change in, or alteration of a Dwelling Unit or the exterior color scheme, roof or finish thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of eternal design and location in relation to surrounding structures and topography by the Board of Directors, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been fully complied with.

Section 3.07. Sanitation and Fire Company Services. Each Owner shall be responsible for payment of the cost of all utilities used for his or her Lot and shall likewise be responsible for obtaining the services of a fire company and trash removal service, unless the Board elects to contract for such services on behalf of the Lot Owners.

ARTICLE IV
OWNERSHIP, USE AND MANAGEMENT OF THE
COMMON PROPERTY

Section 4.01. Conveyance of the Common Areas. Declarant shall grant and convey to the Association and the Association shall receive ownership of the Common Areas prior to the sale of any Lot in the Subdivision. Upon such conveyance and grant, the Association shall succeed to all rights, duties and powers with respect to the Common Areas as prescribed by Law, and set forth in the Articles, Bylaws and this Declaration.

Section 4.02. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Property which shall be appurtenant to and shall pass with title to every Lot subject to Section 4.03.

Section 4.03. Conditional Use of Common Property. The use of the Common Property by the Owner, his family, tenants, lessees or contract purchasers who reside in a Dwelling Unit is subject to the following conditions:

A. Rules, Regulations and Restrictions. Each Owner agrees that in using the Common Property he will comply with the provisions of the Articles, Bylaws, Rules and these Restrictions.

B. Delegation of Use. The Owner may delegate his right of enjoyment of the Common Property to the members of his family, his tenants, lessees or contract purchasers who reside in a Dwelling Unit, subject to such rules, regulations and limitations as the Association may from time to time establish. Such delegation shall not relieve said Owner of his obligations and responsibilities as a Member under the Provisions the Articles Bylaws, Rules and this Declaration.

C. Easements. Such easements granted in favor of the general public over certain portions of the parking lots, roads and sidewalks conveyed to the Association for ingress and egress from any sales office or model home complex of Developer or for parking incidental thereto.

Section 4.04. Management. The Board shall control, maintain, manage and improve the Common Property as provided in this Declaration, the Articles and Bylaws. Such right and power of control and management shall be exclusive. In managing the Common Property, the Association hereby accepts all responsibility for the control, maintenance, safety and liability of such Common Property including the collecting and paying of the taxes assessed by the County Assessor on the Common Areas, and the insurance coverage as provided in Section 5.05.

Section 4.05. Damages. Each Owner shall be liable to the Association for any damages to the Common Property which may be sustained by reason of the negligence of willful misconduct of said Owner or of his family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several, except to the extent that the Association has previously contracted in writing with such joint Owners to the contrary. The amount of such damage shall be an assessment against the Lot and may be collected in the manner provided for the collection of other assessments.

Section 4.06. Restrictions on Conveyance of Common Areas and Facilities. The Common Areas and property, title to which shall be held by the Association, may not be alienated, released, transferred, hypothecated or other wise encumbered without the prior approval of all holders of first mortgage liens on Lots, the consent of two-thirds (2/3) of the Lot Owners and the approval of the Federal Housing Administration or the Veterans Administration (if the Subdivision is approved by the F.H.A or the V.A.), except that the Association shall at all times have the right to grant and convey to any person or entity easements, or rights-of-way in, over, or under any Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein, and there under (1) roads, streets, walks, pathways, driveways, parkways and park areas; (2) temporary overhead or permanent underground lines, cables wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable television, and other purposes; (3) sewers, storm drains and pipes, water systems, heating and gas lines or pipes; (4) any similar public or quasi-public improvements or facilities; and (5) such improvements as may be permitted under Section 5.04 of this Declaration, provided that if ingress or egress to any residence is through the common Areas, then any conveyance is subject to the Lot Owner's easement for the same.

ARTICLE V
THE ASSOCIATION: THE COUNTRYSIDE VALLEY
HOMEOWNERS ASSOCIATION

Section 5.01. Organization.

A. Association. The Association is or shall be a nonprofit Arizona corporation charged with the duties set forth in the Articles, Bylaws and this Declaration. The Association shall be legally constituted and in existence prior to the conveyance of the first Lot.

B. Board of Directors and Officers. The affairs of the Association shall be conducted by the Board of Directors and such officers and committees as the Board may elect or appoint, in accordance with the Articles and Bylaws, as same may be amended from time to time. The composition the Board shall be defined in the Bylaws.

C. Personal Liability. No member of the Board or any Committee of the Association or any officer or employee of the Association, or the Declarant shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, or any representative or employee of the Association, or any Committee or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section 5.02. Membership.

A. Qualification. Each Owner of a Lot shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned.

B. Transfer of Membership. Membership of each Owner (including Declarant) in the Association shall be appurtenant to the Lot owned and shall not be transferred, pledged, or alienated in any way except upon the transfer of ownership to said Lot, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot shall operate automatically to transfer said membership to the new Owner thereof.

Section 5.03. Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B members shall be Declarant, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be conveyed to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1995.

Section 5.04. Maintenance, Repair and Upkeep.

A. Responsibilities of Owner. Maintenance, repair and upkeep of the Lots and Dwelling Units, except as otherwise specifically provided for in Paragraph C of this Section, shall be the sole responsibility of each Owner. All fixtures and equipment installed or located within a Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Owner's Lot line shall be maintained and kept in repair by the Owner thereof. Termite control shall be the responsibility of the Owner. All maintenance and repair of the Property within each Owner's Lot, including but not limited to carport beams, fascia and other carport components, driveways, sidewalks, utilities and the Dwelling Unit itself shall be the sole obligation and expense of the individual Dwelling Unit Owners. Each Owner shall be responsible for the maintenance and repair, including replacement of light bulbs, of all exterior lighting fixtures located within the Owner's Lot, or in the Common Areas, provided such lighting in the Common Areas is metered to the Owner's Dwelling Unit.

B. Failure to Maintain Standard of Upkeep. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Lot and Dwelling Unit or impair any easement or hereditament, nor do any act or allow any condition to exist which will adversely affect the other Lots

and Dwelling Units or their Owners. In the event any Owner fails to maintain his Lot or the exterior of his Dwelling Unit in a manner in keeping with the general neighborhood, then the Association, after approval of two-thirds (2/3) of the vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the subject property to repair, maintain, and restore the Lot, and the exterior of the Dwelling Unit, and any other improvements erected on said Lot. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject. The Board in its sole discretion shall also have the right to determine whether or not a Lot or the exterior of a Dwelling Unit is in need of maintenance, repair and upkeep in order to conform to the standards of the general neighborhood, and the Board shall use a reasonably high standard to determine whether such maintenance, repair and upkeep is required so that the Lots as a whole will reflect a high pride of ownership.

C. Responsibility of Association. The Association, or its duly delegated representative, shall maintain the landscaping of all Property up to the property line of each lot. The Association shall also maintain the Common Area improvements, including but not limited to the private steers, drainage ways and that portion of the sewer system located upon the Common Areas.

This Article shall in no way be construed to mean that the Association is responsible for those duties of the Owner to maintain those portions of the Property, equipment and fixtures set forth in Section 5.04 (A) above.

D. Easement for Maintenance. There is hereby created an easement of ingress, egress and maintenance upon, across, over and under those portions of the Property which are to be maintained by the Association pursuant to the foregoing paragraph. Said easement shall inure to the benefit of the Association and its agents, employees, independent contractors or assigns.

Section 5.05 Insurance Requirements.

A. Casualty Insurance on Insurable Common Areas. The Association shall make reasonable efforts to keep all insurable improvements and fixtures of the Common Areas insured against loss or damage by fire for the full replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property owned by the Association, whether real or personal, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the Owner and beneficiary of such insurance. The

insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the Annual Assessments made by the Association.

In addition to casualty insurance on the Common Areas, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement cost, without deduction for depreciation or coinsurance, of all of the Dwelling Units, including the structural portions and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the association shall be a common expense of the Association to be included in the regular Annual Assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Dwelling Units shall be written in the name of, and the proceeds thereof shall be payable to, the Association as trustee for the Owners.

B. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other assessments made against such Owner.

In the event that the Association is maintaining blanket casualty and fire insurance on the Dwelling Units on the Lots of the Property, the Association shall repair or replace the same from insurance proceeds available.

C. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE VI
COVENANTS FOR ASSESSMENTS

Section 6.01. Creation of the Lien and Personal Obligation to Pay Assessments. Each Owner, by acceptance of a deed to any Lot, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay the Association: (1) Annual Assessments (on an monthly basis, if deemed more practical by the Board) or charges, and (2) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided.. The Annual and Special Assessments , together with interest, costs, and reasonable attorneys' fees , shall be a charge on the Lot and shall be a continuing lien upon the property against which each assessment is made. Delinquent assessments, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 6.02. Purpose of Assessments. The Annual Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Members and their guests, for the improvement and maintenance of the Common Property including, but not limited to, the operation and maintenance of the private streets and sewer system within the Common Area, and for all purposes set forth in the Articles, Bylaws and this Declaration.

Section 6.03. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment, exclusive of Membership Assessments provided for herein, shall be **Six Hundred Dollars (\$600.00)** per Lot.

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the raise, if any, of the Consumer Price Index (for U.S. City Average—All Urban Consumer—published by the Department of Labor, Washington, D.C.) for the preceding month of July.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased above that established by the Consumer Price Index formula by a vote of the Members for the next succeeding two(2) years and at the end of each such period of two years, for each succeeding period of two years, providing that any such change shall have the assent of two-

thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty(60) days in advance of the meeting setting forth the purpose of the meeting. The limitations thereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

C. The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

Section 6.04 Special Assessments for Capital Improvements.

In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6.05 Notice and Quorum for Any Action Authorized

Under Sections 6.03 and 6.04. Written notice of any meeting called for the purpose of taking any action authorized under section 3 or 4 shall be sent to all Members not less than thirty (30) day nor more than Sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast twenty-five percent (25%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6.06 Uniform rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6.07 Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a lot to an Owner. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of

the Annual Assessment shall be sent to every Owner subject thereto in the event of its increase or decrease from the last Annual Assessment. The due dates of such assessments, partial payment for which may become due on a periodic basis, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.08 Effect of Nonpayment on Assessments: remedies of the Association. Each Lot Owner shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified.

If an assessment is not paid within thirty (30) days after the due date, the assessment is deemed delinquent and shall bear interest at the rate of twelve percent (12%) per annum. Late payments shall first be credited toward interest due, then toward assessments first due. In the event the Association employs an attorney for collection of any assessments, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provide by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures.

A. Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of delinquency, together with interest thereon at the rate of twelve percent (12%) per annum from the date of the delinquency until paid, court costs, and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent Owner or Member.

B. Enforcement by Lien. There is hereby created a right of claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners together with interest thereon at the maximum rate permitted by law per annum from the date of delinquency until paid, and costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. Said demand shall state the date and amount of the delinquency. Each default, shall constitute a separate basis for demand or claim of lien but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or, even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by an officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to this Declaration; and,
- (5) That a lien is claimed against said Lot in an amount equal to the amount stated.

Upon recordation of a duly executed original of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot. Such a lien shall have propriety over all claims of liens created subsequent to the recordation of the claims of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the lien of any first mortgage. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of

Arizona, as they may be changed or amended. The lien provided for herein shall be if favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power to bid in any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner hereby expressly waives any objection to the enforcement and foreclosure of this lien in this matter and agrees to subordinate any property exemptions provided for by statute or otherwise to those liens for any assessments provided for in this Declaration. Notwithstanding the foregoing, the failure of Owner to pay assessments provided for herein shall not constitute a default under any federally insured mortgage.

Section 6.09. No Exemption of Owner. No Owner is exempt from liability for payment of assessment by waiver of the use of enjoyment the Common Property, or by abandonment of his Lot except as specifically provided in Section 8.08.

Section 6.10. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot, pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which become due prior to such transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 6.11. Mortgage Protection and Additional Assessment as Common Expense. Notwithstanding and prevailing over any other provision of this Declaration, or the Association's Articles of Bylaws, or the Rules, the following provisions shall apply to and benefit each holder of a first mortgage upon a Lot (called the first Mortgagee):

A. The first mortgagee shall not in any case or manner be personally liable for the payment of any assessment or charge, not for the observation or performance of any covenant, restriction, regulation, rule, article or bylaw, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

B. During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the first mortgagee (or receiver appointed in such action) may, but need not, exercise any of all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

C. At such time as the first mortgagee shall become record Owner of a Lot, said first mortgagee shall be subject to all of the terms and conditions of these Restrictions, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner.

D. The first mortgagee, or any other party acquiring title to a mortgaged Lot through foreclosure suit or through any equivalent proceeding such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title to the mortgaged Lot free and clear of any lien authorized by or arising out of any of the provisions of this Declaration or Bylaws which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any period of redemption except as follows: Any such unpaid assessment against the Lot foreclosed against may be treated as an expense common to all of the Lots, which expense may be collected by a pro rata assessment against each of the Lots, including the Lot foreclosed against and which pro rata assessment may be enforced as a lien against each Lot in the manner provided for other assessments.

Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting Owner of the respective Lot to the Association, the Board shall use reasonable efforts to collect the same from the Owner even after he is no longer a member of the Association. There shall be a lien upon the interests of the first mortgagee or other party which acquires title to a mortgaged Lot by foreclosure suit or by equivalent procedures for all assessments authorized by these Restrictions which accrue and are assessed after the date the acquirer has acquired title to the Lot free and clear of any right of redemption.

ARTICLE VII
COUNTRYSIDE COMMUNITY CLUB MEMBERSHIP,
USE PRIVILEGES AND ASSESSMENTS

Section 7.01. Club Membership. All Owners shall have privileges of use and enjoyment of the Club Property. Such privileges shall be appurtenant to and may not be separated from ownership of any Lot. A nonprofit corporation or association or other business entity ("Countryside Community Club Association" or "C.C.C.A.") has been formed for the purpose of the operation, maintenance, management, administration and improvement of the Club Property. Each Lot Owner shall be a member of the C.C.C.A.

Section 7.02. Use Privileges. The Lot Owner's membership to the Countryside Community Club shall carry with it the privilege for all members of the Owner's immediate family, if the same are residents of the Lot, to use and enjoy the facilities of the Club Property. The name of each Owner and the name of all persons in the Owner's immediate family who reside upon the Lot shall be registered by the Club Member with the administration of the Club Property or with the C.C.C.A.

If the Owner is not a resident of the Dwelling Unit located upon the Lot, then the privilege to use the Club Property shall be limited to one person for each bedroom in the Dwelling Unit and their names, likewise, shall be registered by the Owner with the administration of the Club Property or with the C.C.C.A.

Section 7.03. Membership Assessments. Ownership of the Lot shall also carry with it and be indivisible from a duty to pay a monthly Membership Assessment to the administration of the Club Property or to the C.C.C.A. Membership Assessments shall be determined and paid by the following method:

A. Membership Assessments may be determined by the administration of the Club Property and charged to the Association which in turn shall levy and enforce the Annual Assessments that are provided for in Article VI and to which said Membership Assessments shall be added for determination of the Annual Assessment; or

B. The Club Member shall pay directly to the C.C.C.A., or through the Association if so determined by the C.C.C.A., such Membership Assessments as the board of directors of the C.C.C.A shall determine, levy and enforce for the purpose of defraying the cost in whole or in part of the operation, maintenance, management and administration of the Club Property, which may from time to time include the cost of capital improvements.

The assessments contemplated by this Section 7.03, whether levied by the C.C.C.A. or by the Association, together with interest, costs and reasonable attorneys' fees, shall be a continuing lien upon the property against which each assessment

is made and shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

If an assessment is not paid within thirty (30) days after the due date, the assessment is deemed delinquent and shall bear interest at the rate of twelve percent (12%) per annum. Late payments shall first be credited toward interest due, then toward the assessment first due.

Section 7.04. Conditional Use of Club Property. The use of the Club Property by the Owner, his family, guests, tenants or lessees is subject to the following conditions:

A. Guests. Those persons having use privileges of the Club Property, by way of Lot ownership or by way of Dwelling Unit residency, may be allowed to have guests use the facility provided that such guests are accompanied by at least one (1) person holding use privileges by said ownership or residency. An additional guest fee may be charged in an amount and in a manner to be determined by the administration of the Club Property or by the C.C.C.A.

B. Rules, Regulations, Articles, Bylaws and the Declaration. All persons and their guests having a privilege to use the facilities of the Club Property must abide by the rules and regulations promulgated by the administration of the Club Property or by the C.C.C.A., the C.C.C.A. Articles and Bylaws, and these Restrictions. Any person failing to abide by the foregoing may have their use privileges suspended by the administration of the Club Property or C.C.C.A. as the same may see fit. In the event of a suspension of privileges pursuant to this section, there shall be no suspension or termination of the Owner's duty to pay those Membership Assessments provided for herein.

C. Security Deposit and Clean-Up Fee. The administration of the Club Property or the C.C.C.A. may charge a reasonable security deposit and clean-up fee for the use of any recreational facility situated upon Club Property.

D. Special Assessments. The administration of the Club Property or the C.C.C.A. may impose a special assessment of not more than Fifty Dollars (\$50.00) upon an Owner for violation of the Rules by him or his family or any licensee, guest, tenant or invitee and/or to suspend the right of an Owner to use the Club Property for any period during which any assessment against his Lot remains unpaid, and, after notice and hearing by the Board, for a period not to exceed thirty (30) days for any infraction of

these Restrictions, the C.C.C.A. Bylaws, Rules, Articles, and/or any other Rules formally promulgated by the administration of the Club Property or the C.C.C.A.

E. Easements. Such easements granted in favor of the general public over certain portions of the parking lots, roads and sidewalks conveyed to the C.C.C.A. for ingress and egress from any sales office or model home complex of Developer, or for parking incidental thereto, as may be recorded prior to conveyance of such parking lots, roads or sidewalks to the C.C.C.A., or as the C.C.C.A. may grant.

Section 7.05. Disclosure of Nonexclusive Use of Club Property. The use of the Club Property by the Owner, the Owner's family, guests, tenants or lessees shall be nonexclusive. The Owner's privileges of the use and enjoyment of the Club Property may be subject to use privileges of those Owners within those certain properties legally described in Exhibit C attached hereto and incorporated by reference herein.

Section 7.06. Damages. Each Owner shall be liable to the Association for any damage to the Club Property which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, guests, tenants and lessees, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several, except to the extent that the Association has previously contracted in writing with such joint Owners to the contrary. The amount of such damage shall be an assessment against the Lot and may be collected by the C.C.C.A. in the manner provided for the collection of other assessments.

ARTICLE VIII GENERAL PROVISIONS

Section 8.01. Term. The covenants, conditions, and restrictions of this Declaration shall remain in full force and effect for a period of twenty (20) years from the date this Declaration is recorded. Thereafter, they shall be deemed to have been renewed and automatically extended for successive periods of ten (10) years each.

Section 8.02. Amendments. This Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the Association certifying that such amendment has been approved by the vote or written consent of the then Owners of not less than two-thirds (2/3) of the Lots and such amendment shall be effective upon its recordation with the Pima County Recorder. Notwithstanding the above, as long as Declarant is the Owner of any Lots, then no amendment shall be made without the Declarant's consent. Regardless of whether the Declarant is

the Owner of any Lots, any amendment to the Declaration which affects the Owners' rights of obligations with respect to the Club Property of the C.C.C.A. shall require the prior approval of the Declarant. If the Subdivision is approved by the Federal Housing Administration or the Veterans Administration, then any amendment to this Declaration shall require the prior approval of the Federal Housing Administration or the Veterans Administration as long as there is a Class B membership.

Section 8.03. Exercise of Declarant's Rights. U.S. Home Corporation, as beneficiary of Pioneer Trust No. 11,523, shall have the complete authority to exercise Declarant's rights arising out of this Declaration, the Articles or Bylaws, or the articles or bylaws of the C.C.C.A., unless such exercise directly affects title to the Property or the Club Property.

Section 8.04. Enforcement and Non-Waver.

A. Enforcement. Except as otherwise provided herein, the Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by provision of the Declaration.

B. Prerequisite to Litigation. Except as provided in Section 6.08 herein above, in the event of a dispute between an Owner, the Board of Directors, the Association, the Declarant or the Developer, the complainant, as an absolute condition precedent to instituting a legal action against respondent, must first serve notice in writing on respondent in the manner hereinafter provided, advising him of the alleged grievance, the action or results desired and a date and time convenient for a meeting; the respondent shall have a minimum of fifteen (15) days, but not to exceed thirty (30) days, from receipt of said notice, in which to schedule a meeting for the purpose of arriving at a settlement of the controversy with complainant.

C. Violation and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association, or any Owner or group of Owners of Lots within the Subdivision.

D. Violation of Law. Each and every provision of this Declaration and any amendment hereto shall be subject to all applicable state, county, municipal or local ordinances and subdivision regulations and any future amendments thereto. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the subdivision is hereby declared to be a violation of these Restrictions and subject to any or all of the enforcement procedures set forth herein or in the Bylaws.

E. Remedies Cumulative. Each remedy provided by these Restrictions is cumulative and not exclusive.

F. Non-Waver. Failure of Declarant, the Board, the Developer, the Association or by any Owner to enforce any of the provisions of these Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions of these Restrictions.

Section 8.05. Easements and Joint Use Flow-Through.

A. Declarant expressly reserves the reciprocal easements of access, ingress and egress for the benefit of the Declarant, its agents, successors and assigns, the Developer and all Owners, their guests, tenants and invitees for pedestrian walkways, vehicular access, and such other purpose reasonably necessary to the use and enjoyment of a Lot and Common Areas, including recreational facilities.

B. The natural slopes of Block Nos. 7 and 6 of the Subdivision known as "Countryside Blocks 1-10", said subdivision being of a Portion of Section 24, T. 12 S., R. 12 E., G.&S.R.B.&M., Pima County, Arizona, as recorded in Book 36, Page 42, Maps and Plats, Pima County Records (hereinafter "Block No. 7" and "Block No. 6"), make it possible to implement a single gravity-flow sewer system to serve both of said Blocks.

Therefore, in order to accomplish the implementation of the said system the following rights, responsibilities, and liabilities are established:

The Countryside Valley Homeowners Association shall establish a connection into the private sewer line serving Block No 7 at that point designated as "New Manhole No. 9" on the tentative plat for Countryside Shadows-Pima County Subdivision File No. CO12-83-36 (hereafter "Tentative Plat"). The Countryside Valley Homeowners Association shall bear all costs and expenses associated with connecting Block No 6 to said private sewer line, including maintenance and repair of the connection once established.

Furthermore, the owners of Block No. 6 shall have the right to use, jointly with the owners of Block No. 7, that portion of the private sewer line on Block No. 7 beginning at the point of connection with the public manhole on Camino De Oeste and designated as "New Manhole No.1" on the Tentative Plat and proceeding due East and terminating at "New Manhole No. 9" as designated on said Tentative Plat (hereafter referred to as the "Joint Use Segment").

The responsibility and liability for costs of maintenance, operation, and repair of the Joint Use Segment, other than the connection at "New Manhole No. 9", shall be borne jointly by the Countryside Valley Homeowners Association and by the Countryside Villas Association. The responsibility and liability for costs of maintenance, operation and repair of all portions of the single sewer system serving Block Nos. 7 and 6, except for the Joint Use Segment, shall be borne by the Owners of that property upon which that portion of the single sewer system may lie.

Section 8.06 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the beneficiary under any Deed of Trust or mortgage upon a Lot made in good faith for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such Deed of Trust or mortgage such Lot shall remain subject to this Declaration as amended.

Section 8.07. Construction.

A. Interpretation. The provisions of this Declaration shall be literally construed to effectuate their purpose of creating a uniform plat for the development and operation of the subdivision. This Declaration shall be construed and governed by the laws of the State of Arizona. In the event of any conflict between the provisions of this Declaration and the Articles or Bylaws of the Association, the provisions of this Declaration Shall control.

B. Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph A, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or the whole thereof.

C. Rule Against Perpetuities. In the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event said periods of time shall be reduced to a period of time which shall not violate the rules against perpetuities as set forth in the laws of the State of Arizona.

D. Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

E. Captions. All captions and titles used in this Declaration are intended solely for convenience or reference purposes only and in no way define, limit, or describe the intent and meaning of the provisions hereof.

Section 8.08. Savings Clause and Obligation of Developer to Pay Assessments. Notwithstanding anything stated herein to the contrary, Developer shall have full and complete authority to perform such acts which it deems necessary for the development, and sale of Lots and Dwelling Units within the subdivision. Developer shall be responsible for payment of any assessments established pursuant to this Declaration or the Bylaws on Completed Lots owned by Developer, excepting Lots with improvements thereon used by Developer as models and sales office. For purposes of the Section 8.08 "Completed Lots" shall mean any Lot with a Dwelling Unit ready for occupancy as a home that is in the condition of any other Dwelling Unit sold to person living in the subdivision (e.g., carpet, kitchen countertops and cabinets, plumbing and lighting fixtures, etc., installed).

Although Developer may contribute to the maintenance of the Recreational Facilities and Common Areas, it is understood that Developer is not and shall not be held liable for the payment of any assessment provided for in this Declaration or Bylaws by virtue of its ownership of Lots within the subdivision unless such ownership is on Completed Lots as herein defined, and that Developer's failure to pay said assessments shall not give rise to any right of imposing any lien or encumbrance upon Lots owned by Developer as security for the payment of said assessment unless Developer has failed to pay said assessments on Completed Lots as herein defined.

Section 8.09. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail, postage prepaid, certified or registered mail, addressed as follows: If to the Association to:

Countryside Valley Homeowners Association
c/o U.S. Home Corporation
5363 E. Pima Street, 2nd floor
Tucson, Arizona 85712

If to an Owner, to the address of any Lot within the Subdivision owned, in whole or in part, by him or to any other address last furnished by said Owner to the Association; and if to the Declarant:

U.S. Home Corporation
5363 E. Pima Street, 2nd floor
Tucson, Arizona 85712

Provided, however, that any such address may be changed at any time by the party concerned by delivering written notice of change of address to the Association. Each Owner of a Lot shall file the current mailing address of such Owner with the Association and shall promptly notify the Association in writing of any subsequent change of address.

Section 8.10. Right to Change Project Name. For purposes of this Declaration and the Bylaws, the project has been named Countryside Valley. Declarant hereby reserves this right to change the name of the project to any other name of its choosing at any time in the future.

Section 8.11. FHA/VA Approval. As long as there is Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Area(s), and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 8.12. Binding Effect. By acceptance of a deed or acquiring any ownership interest in any of the property included within this Declaration, each person or entity, for himself, or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules or regulations now or hereafter imposed by this Declaration and all

amendments thereto. In addition each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the Property and hereby evidences his interest that all restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

IN WITNESS WHEREOF, Declarant has executed the Declaration the day and year first above written.

PIONEER TRUST COMPANY OF
ARIZONA an Arizona
Corporation, as Trustee
under Trust No. 11,523

By: (Eleanor Ortega)
Its: TRUST OFFICER

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

U.S. HOME CORPORATION, a
Delaware corporation, as
Beneficiary of Trust
No.11,523

By: (John Huggins)
Its: Executive Vice President
Tucson Division

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 21st day of April, 1986, Eleanor Ortega, who is known to me to be duly authorized by PIONEER TRUST COMPANY OF ARIZONA, an Arizona corporation, to execute the within instrument for and on behalf of the corporation for the purposes therein contained.

(SIGNATURE)
Notary Public

My Commission Expires:
10-6-87

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 21st day of April, 1986, John Huggins, who is known to me to be duly authorized by U.S. HOME CORPORATION, a Delaware corporation, to execute the within instrument for and on behalf of the corporation for the purpose therein contained.

(SIGNATURE)
Notary Public

My Commission Expires:
10-6-87

**BYLAWS
OF
COUNTRYSIDE VALLEY HOMEOWNERS ASSOCIATION, INC**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is COUNTRYSIDE VALLEY HOMEOWNERS 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 Valley Homeowners 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 VALLEY HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 3. "Common Area(s)" shall mean all real property, whether improved or unimproved, designated as Common Areas "A", "B", and "C" 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 persona property mow or hereafter owned by or leased by the Association.

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

Section 5. "Developer" shall mean and refer to the 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.

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 of at least twenty-five percent (25%) of Members entitled to cast votes, or proxies entitled to cast votes, shall be required to 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. (this section has been superseded by ARS 33-1812) 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.

Section 2. Term of Office. At the first annual meeting the Members shall elect the successors of the initial Board of Directors as 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.

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 event 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 actions 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 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 upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two 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 action or decision done or made by a majority of present 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 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 any infraction thereof;
- B. Suspend the voting rights and rights to use of the recreations 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 others provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- D. Declare the office of a member of the Board of Directors to the 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 off. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid off, 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 make reasonable efforts to 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 should, if economically practical, make reasonable efforts to maintain a "Master" or "Blanket" policy of flood insurance. The policy should cover any buildings on the Common Property owned by the Association. If such flood insurance is maintained, the amount 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 shall make reasonable efforts to 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 the bodily injury and property damage for any single 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 lawsuits related to employment contracts in which the Association is a party.

The policy should 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 bonds 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 of 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 bond 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 the 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 office 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 assessments. 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 VALLEY HOMEOWNERS 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 Bylaws may be amended by Developer, except that the Federal Housing Administration or the Veterans Administration shall have the right of prior approval of 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 approve amendments as long as it is a Class B or Class A Member, and the Federal Housing Administration or the Veterans Administration shall have the right of prior approval of 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 (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.

The foregoing Bylaws were adopted by the Board of Directors of the COUNTRYSIDE VALLEY HOMEOWNERS ASSOCIATION, INC., as of this ____ day of _____, 1986.

John D. Huggins
Secretary

EXHIBIT A

COUNTRYSIDE VALLEY

Lots 1-123, Common area “A”, Common Area “B” (private streets) and Common Area “C” of COUNTRYSIDE VALLEY, Pima County, Arizona, as shown by map on file in Book 39 of Maps and Plats at Page 74, Pima County Records.

The above-described property is a subdivision of Block 6 of Countryside Blocks 1-10 as recorded in Book 36 of Maps and Plats at Page 42, Pima County Records (the “Property”).