

IMPORTANT NOTICE: THESE BYLAWS AS PRESENTED HERE ARE INTENDED FOR CONVENIENCE ONLY AND ARE NOT LEGALLY BINDING IN ELECTRONIC OR PRINTED FORM. PLEASE REFER TO THE ORIGINAL DOCUMENTS, DENOTED BY THE CORPORATE SEAL OF PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION.

**BYLAWS
OF
PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION, hereinafter referred to as the -P.G.C.C.A.- 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 the Presidio Gardens Community Club Association and amendments thereto which are filed in the office of the Arizona Corporation Commission.

Section 2. Assessment. shall deem those assessments to be paid by each Lot Owner for the privileges of the use and enjoyment of the Club Property and for the purpose of maintainin9 a fund for the operation, maintenance, management, administration and improvement of the Club Property.

Section 3. Club Member shall mean and refer to those persons entitled to membership in the P.G.C.C.A. as provided in the Articles of Incorporation for the Presidio Gardens Community Club Association and in the Declarations of Covenants, Conditions and Restrictions for the Member Properties.

Section 4. Club Property. shall refer to that property legally described in Exhibit A attached hereto and incorporated by reference herein and includin9 any personal property now or hereafter owned by or leased by the P.G.C.C.A.

Section 5. Declaration(s)- shall mean and refer to the Declaration(s) of Covenants, Condition and Restrictions and amendment~ thereto applicable to the Member Properties recorded in the Office of the Pima County Recorder and shall include covenants for membership assessments runningq with the land on any individual parcel within the Member Properties, provided that the same has been approved by U.S. HOME Corporation.

Section 6. Developer. shall mean and refer to U.S. HOME Corporation, a Delaware corporation, and its successors .in interest pursuant to an instrument duly recorded conveying its interest as Developer.

Section 7. Lot shall mean any plot of land shown upon any -subdivision plat. of the Member Properties and all improvements thereon, with the exception of the common areas.

Section 8. Member Properties- shall mean and refer to that certain real property described on Exhibit B attached hereto and incorporated by reference herein.

Section 9. Owner- shall mean and refer to the record owner-, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Member Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. P.G.C.C.A.- shall mean and refer to PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION, a nonprofit corporation, 1tS Successor and assigns.

ARTICLE III MEETING OF CLUB MEMBERS

Section-1. Annual Meetings. The first annual meeting of he Club Members shall be held within one year from the date of incorporation of P.G.C.C.A., and each Subsequent regular annual meeting of the Club 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 Club 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 Club 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, the Declaration, or these Bylaws, written notice of each meeting of the Club Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting at least fifteen (15} days before such meeting to each Club 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. The presence at the meeting of Club Members entitled to cast, or of proxies entitled to cast, twenty- five percent (25') of the votes shall constitute a quorum for ~ny action except as otherwise provided in the Articles, Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Club Members entitled to vote thereat shall have the power to adjourn the meeting

from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV BOARD OF DIRECTORS, SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of P.G.C.C.A. shall be -- managed by Board of not less than three (3) and not more than five (5) directors who need not ~ Club Members.

Section 2. Term of Office. At the first annual meeting the members shall elect the successors of the initial Board of Directors set forth in the Articles. 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 Club Members. 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 P.G.C.C.A. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Club Members. The Nominating Committee shall be appointed by the Board 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 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 members or nonmembers.

Section 2. Election. Election to the Board of Directors shall be by Secret written ballot. At such election the Board members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles and 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 Meeting. Special meetings of the Board of Directors shall be held when called by the president of P.G.C.C.A., or by any two directors, after: not less than three (3) days notice to each director.

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

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

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

C. Exercise for P.G.C.C.A. all duties and authority vested in or delegated to P.G.C.C.A. and not reserved to the membership by other provisions of these Bylaws, the Articles or the Declaration:

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

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

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

G. Enforce the rules and regulations for the P.G.C.C.A. 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 Club Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

B. Supervise all officers, agents and employees of P.G.C.C.A., and to see that their duties are properly performed;

C. As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against the Lot of each Club Member at least thirty (30) days in advance of each annual assessment period;

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

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

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

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

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

G. Cause the Club Property to be maintained;

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

ARTICLE VIII INSURANCE

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

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

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

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

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

The following additional endorsements shall be obtained:

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

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

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

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

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

The liability insurance should provide coverage for: (1) bodily injury and property damage that results from the operation, maintenance or Use of the Club Property and the facilities located thereon; and (2) any legal liability that results from lawsuits related to employment contracts in which P.G.C.C.A. is a party. The policy must provide for at least ten days written notice to P.G.C.C.A. before the insurer can cancel or substantially modify it.

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

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

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

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

ARTICLE IX OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Club Members. current records listing the Club Members and their addresses; and shall perform such other duties as required by the Board;

Section 3. Term. The officers of P.G.C.C.A. 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 P.G.C.C.A. may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board may, from time to time, determine.

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

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

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

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

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

B. Vice President. The vice president shall act in the place and stead of the president in the even 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 Club Members; keep the corporate seal of P.G.C.C.A. and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Club Members; keep appropriate current records listing the Club Members and their addresses; and shall perform such other duties as required by the Board;

D. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of P.G.C.C.A. and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of P.G.C.C.A.; keep proper books of account; cause an annual audit of the C.C.C.A. 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 represented to the membership at its regular annual meeting, and deliver a copy of each to the Club Members.

ARTICLE X COMMITTEES

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

ARTICLE XI BOOKS AND RECORDS

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

ARTICLE XII ASSESSMENTS

As more fully provided in the Declarations, each Club Member is obligated to pay to P.G.C.C.A. directly, or to P.G.C.C.A. indirectly through the Club Member's homeowners association, certain assessments (also called membership assessments) which are secured by a continuing lien upon the Lot 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 bear interest at the rate of twelve percent (12%) per annum. The P.G.C.C.A. may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by notice of the Club Property or abandonment of his lot. The assessment to be paid by each Owner for membership rights and use of the Club Property shall be set by the Board of Directors from time to time, in accordance with the Declarations as recorded for the Member Properties.

ARTICLE XIII CORPORATE SEAL

P.G.C.C.A. shall have a seal in circular form having within its circumference the words PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION.

ARTICLE XIV AMENDMENTS

These Bylaws may be amended as follows:

I. 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 to veto amendments while there is Class B membership; and
2. At a regular or special meeting of the Club Members by a vote of a majority of,) Club members present in person or by proxy, except that the Developer shall have the right to veto amendments as long as it is a Class B or 'Class A member and the Federal Housing Administration or Veterans Administration shall have the right to veto amendments while there is Class B membership.

ARTICLE XV CONSTRUCTION

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control and in the case of any conflict between the Declarations and the Articles-.of Incorporation shall control

ARTICLE XVI MISCELLANEOUS

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

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