

GAINEY RANCH RULES

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DOG NUISANCE

A. Dogs Running Loose - No Leash

Observation of Violation by Security Patrol:

1. If a dog is not vicious and can be contained, the Security Patrol shall:
 - a. Contain the dog and, if the dog owner is known, return it to its home with a warning to the resident and prepare an Incident Report.
 - b. Contain the dog and, if dog owner is unknown, take it to either the East or West Security Plaza. Call Maricopa County Animal Control at (602) 506-7387 and request to have dog picked up. Prepare an Incident Report.
 - c. This procedure applies only during the Animal Control hours of operation:

Weekdays	9:00 am to 6:00 pm
Sat. & Sun	9:00 am to 2:00 pm
 - d. When Animal Control is closed and the dog owner is not know, call Scottsdale Police at (480) 312-5000. Prepare an Incident Report.
2. If dog is vicious or uncontainable, the Security Patrol shall:
 - a. Note the area of Gainney Ranch where dog is loose, but shall not attempt to contain the dog. An incident report shall be prepared.
 - b. Call the dog owner, if known, and request the owner to put the dog on a leash and control the pet.
 - c. If dog owner is unknown, call Animal Control immediately at (602) 506-7387, during hours of operation noted in paragraph 1c above, to send someone out to locate and pick up the dog. If dog is vicious and poses a threat, call 911. Prepare an Incident Report.
 - d. When Animal Control is closed and the dog owner is not known, call Scottsdale Police at (480) 312-5000. Prepare an Incident Report.
3. Observation of Violation by a Resident:

The reporting party shall submit to the GRCA, in writing, the name and address of the dog owner (when known) and when and where the incident was observed. Otherwise, a description of dog and when and where the incident occurred shall be reported.

B. Individuals Not Cleaning Up Their Dogs' Fecal Matter

1. The individual in control of the dog shall be warned of the violation by Security any time the opportunity exists prior to the dog owner's returning home.
2. Security or other reporting party shall submit to the GRCA in writing when and where the incident occurred, and the name and address of the resident whose dog was observed violating this rule. When the dog's owner is unknown, a description of the dog and when and where the incident occurred shall be reported to GRCA. This report shall be made regardless of whether or not the dog's owner was contacted about the violation.

C. Barking Dog Nuisance

1. Security shall attempt to contact the dog's owner immediately and, hopefully, resolve the problem.
2. The violation shall be reported by Security on an Incident Report to the GRCA for proper follow-up action.
3. When the dog is disturbing anyone and the problem cannot be immediately resolved, the unit address and nature of the disturbance should be reported to the Scottsdale Police Department at (480) 312-5000. Under the City's Nuisance Ordinance, this could result in the dog owner's receiving a citation.

D. Follow-up by GRCA Administration Personnel

1. In the event of a second or third violation within a 90-day period, a warning letter shall be mailed to the reported dog owner, together with a copy of this Gainey Ranch Dog Nuisance Procedure. The letter shall include a warning that non-compliance with the Dog Nuisance Procedure will result in the eviction of the dog from Gainey Ranch. In the event the dog owner is leasing the residence, a copy of the warning letter shall also be mailed to the property owner.
2. In the event of a fourth violation of the Dog Nuisance Procedure within a 90-day period of consistent abuse of the procedure, a certified eviction letter shall be mailed to the dog owner giving the owner ten (10) days or less to permanently remove the dog from Gainey Ranch. In the event the dog owner is leasing the residence, a copy of the eviction letter shall also be mailed to the property owner.
3. If the dog is not removed as directed in the eviction letter, a court order shall be immediately obtained and served to the dog owner. All expenses connected with such action shall be charged to the dog owner. When a dog owner is leasing a residence, a copy of the charges shall also be submitted to the property owner who is ultimately responsible for the actions of his or her guests and his or her lessees.

GAINEY RANCH RULES

ADMINISTRATIVE PROCEDURES

DRIVING OF MOTOR VEHICLES

SPEEDING/UNSAFE DRIVING

Article 3 and Article 5 of the Master Declaration grant to the Master Association the right to regulate the use of the Master Common Areas and the Satellite Common Areas on Gainey Ranch and to adopt rules implementing such regulation. Pursuant to such authority, the GRCA Board of Directors (the "Board") has adopted rules and procedures which apply to the driving of motor vehicles on all roads within Gainey Ranch, including Gainey Ranch Road and all roads within Satellite Communities, all of which roads are hereinafter referred to as "Gainey Ranch roads". The rules so adopted by the Board (the "Driving Rules") are as follows:

PROHIBITED CONDUCT

1. The Board has established maximum speed limits for driving on Gainey Ranch roads, which speed limits, as from time to time modified by the Board, are on file in the office of the GRCA. The Board has also caused signs to be posted on Gainey Ranch roads which set forth such speed limits and communicate other driving information, regulations and restrictions. Driving in excess of the posted speed limits on any Gainey Ranch road, driving in violation of any other traffic sign posted on any Gainey Ranch road, driving on Gainey Ranch in violation of any applicable law and driving on a Gainey Ranch road in any other manner which is unsafe, creates a hazard to persons or property or causes excess noise are prohibited.

DRIVING REPORTS

2. Any person observing a violation of the Driving Rules should submit a written report (a "Driving Report") to the Executive Director of the GRCA which describes in detail the violation, including a description of the vehicle, the identity or a description of the person driving the vehicle, if possible, and the license plate number of the vehicle, if possible. If any security officer observes a violation or suspected violation of the Driving Rules, such security service employee must submit a Driving Report to the Executive Director of the GRCA.

3. If a security officer observes a violation, then, in addition to the Driving Report to be filed pursuant to Section 2 above, the security officer shall also warn the violator against a repetition of the same or similar conduct if the violator can be safely stopped at the time of the violation. In addition, if the violator is not so stopped, a security officer, within three (3) days after the violation, shall use reasonable efforts to orally warn the violator against a repetition of the prohibited conduct. Any communication made by a security officer to the violator shall be included in the security officer's Driving Report or in an Addendum thereto if the communication with the violator occurs subsequent to preparation of the Driving Report.

4. All Driving Reports filed by an individual who is not a security officer shall be investigated by the GRCA's security service and an Addendum to the Driving Report with respect thereto shall be prepared by a security officer and filed with the Executive Director of the GRCA.

5. The Council of Presidents shall be responsible for imposing enforcement actions which involve a suspension of a driver's right to drive on Gainey Ranch as more fully described in Sections 8, 9, 10 and 11 below. Therefore, if one or more Driving Reports concerning each of two (2) separate incidents occurring within a twelve (12) month period have been received by the Executive Director with respect to a non-resident driver, or if one or more Driving Reports concerning each of three (3) separate incidents occurring within a twelve (12) month period have been received by the Executive Director with respect to a resident driver, the Executive Director shall submit to the Council of Presidents copies of all Driving Reports, Addenda to Driving Reports and other correspondence regarding such driver. The Executive Director shall thereafter keep the Council of Presidents informed concerning additional Driving Reports involving such driver and other communications the GRCA and security service may have with such driver.

6. The Executive Director may call a special meeting of the Council of Presidents to discuss any Driving Reports and violations of the Driving Rules and any appropriate action to be taken in connection therewith or place a discussion of such Driving Reports and violations and of appropriate action with respect to such Driving Reports and violations on the agenda for any planned meeting of the Council of Presidents. The Council of Presidents may also call a meeting on its own initiative to discuss Driving Reports and violations of the Driving Rules and appropriate action with respect thereto or place the matter on the agenda of a meeting in accordance with the operating rules and procedures of the Council of Presidents.

ENFORCEMENT ACTIONS

7. If the GRCA has not received a Driving Report Concerning a driver within the previous 12-month period, the GRCA may, but shall not be required to, write a warning or notice letter to any driver concerning whom a Driving Report has been received, regardless of whether the alleged violating is observed by a security officer or by another reporting party. The GRCA shall consider the surrounding circumstances in determining whether or not to issue such a letter and the content of the letter.

8. If the GRCA has received one (1) or more Driving Reports with respect to each of two (2) separate incidents within a twelve (12) month period concerning the same driver (and if the GRCA considers such Driving Reports to be from reliable sources), the GRCA shall issue a warning letter to the driver after the occurrence of the second incident; provided, however, if the GRCA is not able to determine the identity of the driver, no warning letter shall be required as a condition to the GRCA's taking any of the additional actions described in this Rule. Moreover, if the Driving Reports relate to a driver who is

not a resident of Gainey Ranch and the Council of Presidents believes that the violations described in the Driving Reports have occurred, the Council of Presidents may bar that individual from any further driving on Gainey Ranch, which bar may be permanent or for such shorter period of time as the Council of Presidents or the GRCA deems appropriate after a consideration of all of the circumstances brought to its attention.

9. If the GRCA has received one (1) or more Driving Reports with respect to each of three (3) separate incidents within a twelve (12) month period concerning the same driver (and the GRCA considers such reports to be from reliable sources), and the driver is a resident of Gainey Ranch, an additional letter shall be written to the driver if his or her identity has been determined. Such letter shall require that the individual obey in the future all Driving Rules and explain the possible consequences of subsequent violations. A copy of the letter shall be mailed to the President of the Satellite Association for the Satellite Community where the driver resides for possible follow-up. In addition, if the individual has received a prior letter under Sections 7 or 8 above and if the violations indicate that such individual constitutes a serious threat to the health or safety of other persons on Gainey Ranch, the Council of Presidents shall have the right to take the actions described in Section 11 below to the same extent as if a Driving Report had already been issued with respect to the fourth incident described in Section 11.

If the GRCA has received one (1) or more Driving Reports with respect to each of three (3) separate incidents within a twelve (12) month period concerning the same driver (and the GRCA considers such reports to be from reliable sources), the Council of Presidents believes that the violations described in the Driving Reports have occurred, and the driver is not a resident of Gainey Ranch, that non-resident shall be barred from driving a vehicle on Gainey Ranch. Such restriction may be imposed permanently or for such shorter period of time that the Council of Presidents deems appropriate after a consideration of all of the circumstances brought to its attention.

11. If, after the GRCA has received one (1) or more Driving Reports with respect to each of three (3) separate incidents within a twelve (12) month period concerning the same driver as described in Section 9 above, the GRCA receives one (1) or more Driving Reports concerning an additional incident involving the same driver within one hundred eighty (180) days after the third incident, the Council of Presidents, if it believes that the violations described in the Driving Reports have occurred, may suspend the right of the resident to drive on the Gainey Ranch roads; may seek a court injunction ordering the particular individual to refrain from violating the Driving Rules and/or to refrain from driving on Gainey Ranch; and/or may take such other action as the Council of Presidents may deem appropriate after a consideration of all of the circumstances brought to its attention. Any restriction in driving may be imposed permanently or for such lesser period of time as may be deemed appropriate by the Council of Presidents after a consideration of all circumstances brought to its attention.

12. Any suspension of driving rights may be enforced by taking actions which prevent the driver from entering or leaving Gainey Ranch via the guard gates, by seeking an order from a court of appropriate jurisdiction or by such other means as shall be

appropriate, feasible and non-violent and which do not involve physical contact with the driver's vehicle.

13. If legal action is sought in connection with any violation of the Driving Rules, the cost of such legal action, including attorneys' fees, shall be charged to the violating party. If the violator owns any property in Gainey Ranch, the payment of such costs shall be secured by the GRCA's lien for Maintenance Charges on the resident's property established under the Master Declaration for Gainey Ranch. In addition, the GRCA may rely upon the court to address violations after any injunction has been issued and continues in effect.

RIGHTS OF DRIVER

14. If the identity of an individual violating or alleged to have violated the Driving Rules is known that individual shall be given notice of any proposed suspension of that individual's right to drive on Gainey Ranch roads and the suspension shall not be effective until such individual has been given an opportunity to present that individual's position concerning the Driving Reports, the incidents described therein and the suspensions to the Council of Presidents. After such presentation, the Council of Presidents may order that such suspension continue to take effect as scheduled, may modify or rescind such suspension, and/or may take such other enforcement action as the Council of Presidents deems appropriate after a consideration of all of the circumstances brought to its attention.

15. Any driver whose right to drive on Gainey Ranch Roads has been suspended by the Council of Presidents may appeal the suspension or the length thereof to the Board in the manner hereinafter provided. To perfect such appeal, a written notice of appeal which sets forth the basis upon which the driver believes the decision of the Council of Presidents to be improper or inappropriate, together with an administrative fee of \$100, must be received by the Executive Director of the GRCA on or before fifteen (15) days after the driver has been notified of the decision by the Council of Presidents.

16. Upon receipt of a properly submitted notice of appeal, the Board shall schedule a meeting with the driver within a reasonable time thereafter at which time the driver may present his or her position to the Board. The Board shall also consider such other information as may be presented to it, including the records of the GRCA and all Driving Reports, but such meeting shall not be conducted as a hearing or trial and the driver need not be present when all information is presented. The suspension shall be lifted from the filing of the notice of appeal until the decision of the Board has been announced, except that the suspension shall be reinstated until the meeting between the Board and the driver if the meeting has not occurred within twenty-one (21) days after receipt by the Executive Director of the driver's notice of appeal from the decision of the Council of Presidents.

17. In deciding whether to uphold or modify the decision of the Council of Presidents, the Board shall terminate the suspension only if it determines that the Council of Presidents abused its discretion but may increase or decrease the term of any suspension in such manner as the Board deems appropriate after a consideration of all the circumstances. Any determination by the Board shall be final.

ADMINISTRATIVE PROVISIONS

18. The Executive Director of the- GRCA and such other officers or employees as may be designated by the Executive Director are hereby authorized to act on behalf of the GRCA to enforce the Driving Rules and to take the actions and make the determinations on behalf of the GRCA set forth in the Driving Rules except to the extent that the Driving Rules specify that an action is to be taken by the Council of Presidents or the Board; provided, however, the Executive Director may always request that the Council of Presidents or the Board authorize any specific action. In addition, the Executive Director and other officers and employees of the GRCA may always submit such information to the Council of Presidents or the Board as such individuals deem appropriate in order to make the Council of Presidents and the Board aware of violations of the Driving Rules and the circumstances surrounding such violations.

19. In exercising its discretion with respect to the issuance and content of written letters, the determination that a violation of these Rules has occurred, the term of suspension of driving rights, if any, and the taking of any other action which the Council of Presidents, the Board or the GRCA may have the right to take under these Rules, the Council of Presidents, the Board and the officers and employees of the GRCA may consider the circumstances surrounding the violations or alleged violations, including the nature of the violation, the threat to the safety of persons and property, the probability and possible consequences of future violations, the person filing the Driving Reports and other matters deemed relevant by the Council of Presidents, the Board or the officers and employees of the GRCA.

20. Except as otherwise required in any bylaws or procedural rules of the Board or the Council of Presidents, any action by the Board or the Council of Presidents shall be deemed validly adopted and authorized if it is approved by a majority of those voting on such matter at any duly called meeting of the Board or Council of Presidents, as applicable, at which a quorum is present; provided, however, if a meeting is not specifically required under these Rules, such adoption and authorization may be evidenced by a unanimous consent action without a meeting.

21. Any notice or letter to be issued to a driver may be given by mail or delivery to the last known address of such person or any other manner reasonably calculated to result in receipt of such notice or letter by the driver. Any notice given by mail shall be deemed received two (2) business days after the mailing thereof.

POLICE REPORTS

22. The officers and directors of the GRCA and the security officers shall have the right to report any violation of the Driving Rules to the local police department if such reporting is deemed appropriate. However, such report is not required, nor shall such report or any finding that a violation of the Driving Rules has occurred be deemed to constitute an assertion by the GRCA that the conduct reported or found to violate these Driving Rules necessarily also violates any rules or statutes of any governmental authority.

UNLICENSED MOTOR VEHICLES

Unlicensed motor vehicles operating on private Gainey Ranch roadways may not necessarily comply with the State of Arizona motor vehicle standards. Consequently, such vehicles may potentially create a safety hazard and/or nuisance when operated on Gainey Ranch.

Article 3 and Article 5 of the Master Declaration grant to the Master Association the right to regulate the use of the Master Common Areas and the Satellite Common Areas on Gainey Ranch and activities on other property in Gainey Ranch. Pursuant to such authority, the Board of Directors of the GRCA (the "Board") has the right to adopt and enforce rules to mitigate safety hazards and nuisances and the Board, pursuant to such authority, has adopted the following Rule:

Rule

For the purpose of this Rule, unlicensed motor vehicles shall be all motor vehicles that do not contain a current license plate issued by a state or other appropriate governmental agency permitting the vehicle to be driven on public roadways and shall include, but shall not be limited to, golf carts; dune buggies; go-carts; ATCs, ATVs, and other "all-terrain" type vehicles; and maintenance and construction equipment designed for operation by a driver.

Except as otherwise specifically provided in this Rule, any unlicensed motor vehicle that does not comply with all of the following requirements may not be operated anywhere on Gainey Ranch:

1. The vehicle must have brakes capable of stopping it within a distance comparable to established Arizona motor vehicle standards.
2. The vehicle must have a muffler system or other system that adequately controls the noise level.
3. The vehicle must be safe to operate and must not endanger the safety of other motorist or pedestrians.
4. The vehicle must have two (2) workable headlights and at least one (1) red tail light or two (2) rear reflectors.
5. The vehicle must be driven on Gainey Ranch only on a Gainey Ranch roadway, driveway or parking lot; provided, however, golf carts permitted on the Gainey Ranch Golf Course by the owner of the Golf Course may be driven on the Golf Course and unlicensed motor vehicles typically used for business and work activities otherwise permitted on Gainey Ranch, such as maintenance and construction, may be used where and when necessary for the proper conduct of such activities.

6. The driver of any unlicensed motor vehicle must have, on his or her person a valid drivers license qualifying the driver to drive on all public Arizona roadways.

7. The driver of any unlicensed motor vehicle must abide by the posted speed limits and all other traffic signs posted on any Gainey Ranch road, must not drive in a manner which is unsafe or creates a hazard to persons or property, must have lights on the vehicle illuminated at any time the vehicle is driven after sunset and before sunrise, and must operate the vehicle in compliance with all applicable provisions of Section 1 of the Gainey Ranch Rule on The Driving of Motor Vehicles.

8. The owner and driver of each unlicensed vehicle assume the risk of any damage to property and injury to persons caused by such vehicle. Such owner and driver waive all rights and claims which such owner and/or driver may have against the GRCA and/or any Satellite Association arising from or related to the use or operation of an unlicensed motor vehicle anywhere on Gainey Ranch. Each such owner and driver, jointly and severally, shall also indemnify and hold harmless the GRCA and each Satellite Association (hereinafter cumulatively referred to as the "Indemnitees") for, from and against any and all claims which may be asserted against the Indemnitees or any of them and any and all liabilities, losses, damages, costs, fees and expenses which may be incurred by the Indemnitees or any of them, including but not limited to attorney's fees and court costs, arising from or related in any way to the use or operation on Gainey Ranch of an unlicensed motor vehicle which was owned by such owner and was driven by such driver-at the time the event giving rise to any such claim, liability, loss, damage, cost, fee or expense occurred.

9. Gainey Ranch roadways, driveways and parking areas shall not be used for the test driving of unlicensed vehicles.

10. Unlicensed motor vehicles which are used for casual or recreational purposes must not be driven repetitively within a brief period in the same area or vicinity.

11. Racing of an unlicensed motor vehicle is prohibited.

Determinations regarding compliance with the foregoing requirements shall be made by the GRCA or its authorized agents. Gainey Ranch security officers, whether employed or contracted, shall be agents authorized to make determinations concerning this Rule. Conduct in violation of the Rule may result in suspension or termination of a violator's right to drive any unlicensed vehicle on Gainey Ranch (except golf carts on the Golf Course) and/or the imposition of such other remedies and penalties as may be authorized or may be legally available for a violation of the Gainey Ranch Rules.

Any person observing a violation of this Unlicensed Motor Vehicle Rule should submit a written report to the Executive Director of the GRCA which describes in detail the violation, including a description of the vehicle and the identity or a description of the person driving the vehicle, if possible.

GAINEY RANCH RULES

ADMINISTRATIVE PROCEDURES

TRASH CONTAINER PROCEDURES

1. Warning notice sticker (see exhibit included) shall be placed on trash containers when in violation of the GRCA CC&Rs: Article IV, Section 2(j) Provisions relating to storage of containers.
2. GRCA shall cause the Gainey Ranch Security Patrol to weekly inspect all residential communities on a day other than a trash collection day. A warning notice shall be placed on any container in view from neighboring property. The date and unit number shall be recorded for each warning notice issued.
3. The following day the Gainey Ranch Security Patrol shall again inspect all residential communities to determine if any containers with warning notices applied from the previous day are still out. All such containers shall be moved off the street edge and placed in the most available inconspicuous location. Whenever the residence is known to be a rental, security shall also contact the rental agent to advise them to place the container in storage out of view from neighboring property.
4. Any containers moved away from the street edge by security, but still remaining in view from neighboring property, shall be picked up during the following week's inspection.
5. Containers in view from neighboring property shall also be picked up during the regular weekly inspection, in-lieu of applying a warning notice, whenever a fourth violation occurs within a consecutive 90 day period.
6. Whenever a container is picked up, it shall be delivered to the Gainey Ranch Maintenance Facility for storage. On the same day, a form letter shall be mailed to the resident advising them of the situation and encouraging them to resolve this continuing problem.
7. It shall be the responsibility of the resident to make arrangements for the return of their trash container. Upon request, the Gainey Ranch Community Association Maintenance will return the trash container for a \$50 service fee.

Mondays - Black/Dark Green Trash Container Pick-Up Days

Trash containers will be emptied every Monday, even on most holidays, by the City of Scottsdale Sanitation Department.

Thursdays - Mauve Recycling Container Pick-Up Days

Recycling containers will be emptied every Thursday, even on most holidays, by the City of Scottsdale Sanitation Department.

TRASH CONTAINERS
AND COLLECTION

EXHIBIT

NOTICE

TRASH CONTAINERS MUST BE STORED OUT OF VIEW FROM NEIGHBORING PROPERTY EXCEPT ON COLLECTION DAYS. NON-COMPLIANCE WILL RESULT IN REMOVAL OF THE CONTAINER

(Violation Master CC&R's: Article IV, Section 2(j)).

RESIDENTIAL LEASING RULES

1. Without exception, no Gainey Ranch residence shall be leased for less than thirty (30) days. However, the minimum lease requirements, in terms of time, may exceed 30 days in certain Gainey Ranch Satellite Associations. Individual Satellite Association documents should be consulted to determine the minimum lease period.

2. Prior to taking occupancy, all lessees shall receive and sign a copy of the attached *Exhibit A Leasing Information and Packet Receipt* form. The homeowner or his/her agent shall deliver at least one, and preferably three copies, of the Receipt form to the Gainey Ranch West Security Plaza prior to the date of occupancy in order to insure the lessees being granted access to Gainey Ranch.

3. All membership use rights to common area property (i.e. Daniel C. Gainey Estate Club) shall automatically be delegated to the lessee for the term of the lease.

4. Each residence is restricted to use as a single family residence.

Exhibit A



**LEASING INFORMATION AND PACKET
RECEIPT**

NAME(S) OF OWNER(S) _____

OWNER'S TELEPHONE NUMBER _____
(Where owner **can be reached**)

GAINNEY RESIDENCE LEASED: _____

UNIT PHONE #: Current phone number _____
OR
 New phone number to be obtained _____

LESSEE'S NAME(PRINT) _____

LESSEE'S NAME(PRINT) _____

LEASING AGENT'S NAME COMPANY _____

LEASING AGENT'S PHONE _____

Receipt of Leasing Packet and intent to comply with the provisions are hereby acknowledged.

LESSEE'S SIGNATURE _____

LESSEE'S SIGNATURE _____

OWNER'S SIGNATURE OWNER'S SIGNATURE _____

TERM OF LEASE: FROM _____ TO _____

**Please forward to West Security Plaza or fax to Administrator at (480) 951-0923.
MUST BE RECEIVED BEFORE ACCESS WILL BE GRANTED.**

Policy Regarding Records Requests by Members

Now, therefore, be it resolved by the Board of Directors of the Gainey Ranch Community Association ("Association") that:

Pursuant to A.R.S. Sections 33-1805 and 33-1258, all financial and other records of the Association shall be made reasonably available for examination by any member of the Association or any person designated by the member in writing as the member's representative. The Association is not required to disclose financial and other records of the association if disclosure would violate any state or federal law.

Books and records kept by or on behalf of the association and the board may be withheld from disclosure to the extent that the portion withheld relates to any of the following:

1. Privileged communication between an attorney for the association and the association.
2. Pending litigation.
3. Meeting minutes or other records of a session of a board meeting that is not required to be open to all members pursuant to section 33-1804.
4. Personal, health or financial records of an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association, including records of the association directly related to the personal, health or financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association.
5. Records relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.

The association shall have ten business days to fulfill a request for examination. On request for purchase of copies of records by any member or any person designated by the member in writing as the member's representative, the association shall have ten business days to provide copies of the requested records. If a document is not yet available or is not yet in final form (such as monthly financials), the association shall have ten business days from the date the document becomes available in final form. The association may charge a fee for making copies of not more than fifteen cents per page. The association shall not charge a member or any person designated by the member in writing for making material available for review.

Any member who wants to review the Association's financial or other records must place the request in writing, specify with particularity the requested record(s) and hand-deliver or mail via U.S. Mail the request to the Association at the following address: Gainey Ranch Community Association, Attention: James Funk, 7720 E. Gainey Ranch Road, Scottsdale, Arizona 85258.

Requests for records requests will not be accepted in person. Further, due to the uncertain nature of electronic communications, requests for records will not be accepted via e-mail or fax.

Adopted June 23, 2009

THE GAINNEY RANCH COMMUNITY ASSOCIATION

POLICY REGARDING EXAMINATION OF MEMBERSHIP LIST

NON-RESIDENTIAL MEMBERS

Any non-residential member of the GRCA may obtain a set of address labels containing the names and addresses of the members of the GRCA (the "Membership Labels") for the purpose of sending advertising or promotional materials relating to the non-residential members business to members of the GRCA. The Membership Labels shall be furnished to the non-residential members at a reasonable charge.

Within ten (10) days following the receipt of a request from a non-residential member for Membership Labels, the Executive Director shall notify the member submitting the request whether the request has been approved or disapproved. If the request is disapproved, the Executive Director shall advise the member of the reasons for the disapproval, which may include, but are not limited to, using the Membership Labels other than in connection with the non-residential member's business, sending offensive or derogatory materials, or otherwise abusing the use of the Membership Labels. If the request is approved, the Executive Director shall advise the member of the date and time when the non-residential member can pick up the Membership Labels.

RESERVES INVESTMENT POLICY

The Board of Directors of the Gainey Ranch Community Association (GRCA) recognizes its fiduciary responsibility to manage reserve assets in a prudent manner. Accordingly, the Board has adopted this Reserve Investment Policy to set forth an investment strategy, security selection criteria, authorized investments and control and review procedures to pursue the stated objectives and goals.

GOALS AND OBJECTIVES

The GRCA's capital replacement and repair reserve assets shall be invested in an effort to achieve the following prioritized objectives:

1. Promote and ensure the preservation of the reserve fund's principal. Insured investments are to be preferred over uninsured investments, everything else being equal.
2. Structure maturities to ensure availability of assets for that time when reserve analyses anticipate needs.
3. Mitigate the effects of interest rate volatility upon reserve assets.
4. Achieve long-term investment performance that exceeds inflation on a net after- tax basis.

INVESTMENT STRATEGY

Select individual securities that have effective maturities of one to five years. Structure these maturities so that an approximately equal proportion comes due each year. Consistently purchase securities at the long end of the maturity range with new or matured funds. Variations may alter the longest maturity and the number and length of periods.

The expectation of this laddering strategy is that the reserve assets shall benefit from long-term rates, which are commonly higher than short-term rates, while maintaining ready availability of funds and cash flow. It is further expected that this strategy shall

track the middle range of interest rate fluctuation by lessening the effect of any year's particularly high or low rates.

Exception to this strategy may be employed if reserving a portion for a specific expense. The most recent reserve funding study should be utilized to match the effective maturities to the dates of such specific expenses.

It is understood that effective maturity may be sooner than stated maturity.

SELECTION CRITERIA

Securities will be selected with an emphasis upon these following characteristics listed in decreasing order of importance:

1. Preservation of capital
2. Quality
3. Effective maturity
4. Net after-tax return

AUTHORIZED INVESTMENTS

Money market funds of a bank or major brokerage firm. Bank certificates of deposits. A-AAA-rated municipal, A-AAA Corporate Bonds, U.S. Treasury Bills or Notes or Agencies of U.S. Government. Moreover, the investment in any specific security /corporation shall be limited to a maximum of **25%** of the portfolio, excluding the cash/money market balance. The **25%** rule shall apply to the portfolio balance subsequent to any such contemplated investment. Aggregate investments in a specific security/corporation in the amount of \$25,000 or less shall be excluded from the **25%** maximum investment requirement.

REVIEW AND CONTROL

All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may be amended from time to time by, the Board of Directors as appropriate and shall be reviewed at least annually.

SATELLITE ASSOCIATION RESERVE INVESTMENT POLICY

The Board of Directors of the participating Gainey Ranch Satellite Association recognizes its fiduciary responsibility to manage reserve assets in a prudent manner. Accordingly, the Satellite Association has adopted this Reserve Investment Policy and also recognizes the practicality of participating in a uniform Gainey Ranch investment program. The characteristics of the Satellite Association Reserve Investment Policy are as follows:

1. The current Gainey Ranch Community Association (GRCA) Reserves Investment Policy shall apply except that references to the Board of Directors shall refer to the Satellite Association Board of Directors.
2. Authorized GRCA staff members shall make the instructed investments through the same bank or brokerage firm and financial consultant used by the GRCA for its investments. Satellites with \$100,000 or more available for investment may purchase investments outside of the bank, brokerage firm, or financial consultant used by GRCA. If a satellite makes investments outside of the bank, brokerage firm, or financial consultant used by GRCA, GRCA may charge the satellite an investment handling fee.
3. Until such time that a specific investment is stipulated, the reserves shall be deposited in a savings account of the bank or brokerage firm. Moreover, the amount of reserve funds held in the savings account shall be equal to 20% or more of the total reserve fund balance consisting of the aggregate of the savings and any investments. Latitude on the 20% rule may occur if the satellite can demonstrate the ability to come up with comparable reserve cash to handle any unforeseen reserve cash need, such as laddering of investment maturities or excess operating cash.

IMPOSITION OF MONETARY PENALTIES

PREFACE Pursuant to A.R.S. § 33-1803, the Board of Directors of the Gainey Ranch Community Association (“Association”) has adopted these Policies and Procedures providing for notice and an opportunity to be heard to an owner (“Owner” as defined in the Declaration cited below) prior to the imposition of a monetary penalty for Architectural Control violations of the Gainey Ranch Amended and Restated Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations And Easements, recorded at Instrument No. 95-0223112, records of Maricopa County, Arizona, as amended from time to time, and any tract declaration or plat governing any portion of Gainey Ranch (collectively, “Declaration”).

I. NOTICE OF VIOLATION**A. Courtesy Letter/Fines**

Prior to the issuance of an initial Notice of Violation (“NOV”), the Board of Directors, the Executive Director, or any person acting at the direction of either, shall provide a courtesy letter to an Owner regarding an Architectural Control Violation of the Declaration. Such courtesy letter shall demand permanent correction of the violation by the Owner.

Subsequently, if the Board of Directors or the Executive Director determines that the Architectural Control Violation has not been corrected within fifteen (15) calendar days after issuance of the courtesy letter and that the imposition of a monetary penalty is an appropriate enforcement action for the Association to take to obtain compliance with the Declaration, the Board of Directors or the Executive Director may serve a NOV upon the Owner. The first NOV will set a monetary penalty of \$75 for the violation, contingent upon an opportunity to be heard as set forth below.

If the Architectural Control Violation by the Owner has not been corrected within twenty (20) calendar days after the initial Notice of Violation was served on the Owner, the Board of Directors or the Executive Director may serve a second NOV upon the Owner, which shall set a monetary penalty of \$150 for the violation, contingent upon an opportunity to be heard as set forth below.

If the Architectural Control Violation by the Owner has not been corrected within twenty (20) calendar days after the second Notice of Violation was served on the Owner, the Board of Directors or the Executive Director may serve a third NOV upon the Owner, which shall set a penalty of \$200 for each day that the violation continues thereafter, contingent upon an opportunity to be heard as set forth below.

B. Form of NOV:

A NOV shall contain:

1. A description of the violation.
2. The maximum amount of the monetary penalty that may be imposed by the Board of Directors with respect to each NOV as set forth in Section I.A.
3. A statement that the Owner may request in writing a hearing on the subject of the violation before the Board. In order to be heard, the Association must receive a written request for such a hearing within fifteen (15) calendar days after the date of the NOV by marking the appropriate portion of the NOV requesting a hearing, signing the NOV, and returning the NOV to the Association. The Owner should retain a copy of the NOV. ***In cases where the Owner delivers written request for a hearing within the prescribed time period and by the prescribed manner, the Association shall suspend any further action regarding the violation pending the outcome of the hearing.*** An Owner’s failure to request a hearing within the prescribed time period and by the prescribed manner shall be deemed a waiver and forfeiture of the Owner’s right to a hearing with respect to the NOV.

4. A statement that (i) if the Owner fails to timely request to be heard as prescribed, the amount of the monetary penalty as set forth in the NOV shall be due within fifteen (15) calendar days after the date of such NOV, and (ii) if the Owner requests to be heard as prescribed, any amount of monetary penalty imposed by the Board of Directors shall be due within fifteen (15) calendar days after the date of the Board's Notice of Decision.
5. Information concerning the manner in which a monetary penalty imposed by the Board of Directors may be enforced.

C. Service

A NOV shall be served either by personal delivery to the Owner named in the NOV or by sending the NOV to the Owner by United States mail, postage prepaid. A NOV served by mail shall be deemed to have been received by the Owner to whom the NOV was addressed on the earlier of the date the NOV is actually received or three days after the NOV is deposited in the United States mail, postage prepaid. A NOV shall be delivered or mailed to the Owner at the address of the Owner as shown on the records of the Association. If more than one person or entity owns a lot or parcel, a NOV to one of the joint Owners shall constitute notice to all of the joint Owners. A notice of Decision (if necessary) will be served in the same manner as a NOV.

1. HEARING

A. Request for Hearing

The NOV shall indicate that the Owner may request in writing a hearing on the subject of the violation before the Board. In order to be heard, the Association must receive a written request for such a hearing within fifteen (15) calendar days after the date of the NOV by marking the appropriate portion of the NOV requesting a hearing, signing the NOV, and returning the NOV to the Association. An Owner's failure to request a hearing in this manner shall be deemed a waiver and forfeiture of the Owner's right to a hearing with respect to the NOV.

B. Conduct of Hearing

The Board shall conduct a properly and timely requested hearing. Upon conclusion of the hearing, the Board shall determine, in its sole and absolute discretion, whether a violation of the Declaration occurred and, if so, the amount of the monetary penalty, if any, to be imposed for such violation. Such monetary penalties may not exceed the prescribed amounts set forth in Section I.A. herein. The Board shall serve a Notice of Decision upon the Owner with the Board's decision. If the Owner fails to appear at the hearing, then the Owner shall be deemed to have waived his right to a hearing with respect to the violation.

III. ENFORCEMENT

A. Enforcement of Monetary Penalty

Unless a later due date is set by the Board of Directors, (i) if the Owner fails to timely and properly request to be heard as prescribed, the amount of the monetary penalty as set forth in the NOV shall be due within fifteen (15) calendar days after the date of such NOV, and (ii) if the Owner requests to be heard as prescribed, any amount of monetary penalty imposed by the Board of Directors shall be due within fifteen (15) calendar days after the date of the Board's Notice of Decision. Payment by an Owner of a monetary penalty is deemed late if it is unpaid fifteen (15) calendar days after its due date and a late charge of \$15.00 or ten percent (10%) of the amount of the unpaid monetary penalty, whichever is greater, shall be assessed against the Owner. Any monetary penalties imposed pursuant to these Policies and Procedures and any charges for late payment shall be enforceable and collectible by an action at law.

B. Other Enforcement Action

In addition to or in lieu of the imposition of any monetary penalty for a violation of the Declaration or the Rules, the Board of Directors may proceed at any time with any other enforcement action available to the Association under the Declaration or at law or in equity. Enforcement actions available to the Association may be exercised separately or concurrently, and the exercise of one enforcement action shall not constitute an election of remedies or be a waiver of the right of the Association to take any other enforcement action.

CONFLICTS OF INTEREST POLICY

All directors shall exercise their power and duties in good faith and in the interest of, and with loyalty to, the Association and Owners. All directors shall comply with all lawful provisions of the Association's protective covenants, By-Laws, and Rules and Regulations.

Any duality of interest or possible conflict of interest on the part of any director shall be disclosed to the other directors at the first meeting of the Board of Directors at which the interested director is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict of interest is made.

Any contract or transaction between the Association and a director must be commercially reasonable to the Association at the time it is authorized, ratified or executed.

Any owner-elected director having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter, and he/she shall not be counted in determining the quorum for the meeting. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

For purpose of this policy, a director shall be deemed to be so interested if he or she is a principal, officer or employee or has a financial interest exceeding five hundred dollars in the firm.

The foregoing requirements shall not be construed as preventing the director from briefly stating his or her position in the matter nor from answering questions of the other Board members since his or her knowledge may be of great assistance.

Any new member of the Board shall be advised of this policy upon entering on the duties of his or her office.

GAINEY RANCH RULES PROCEDURES

ADMINISTRATIVE

Newsletter communication and feedback guidelines

To improve homeowner communication and feedback, the *Gainey Gazette* will include letters written by homeowners beginning February 2009.

To ensure consistency, fairness and focus on relevant topics the following guidelines will apply:

- Letters may not exceed 250 words and will be considered in order received.
- A property owner in good standing in management's judgment may submit one letter in each 12-month period.
- Letters must reflect only the view of the author and may not contain personal attacks.
- Letters should focus on issues, not individuals, and may not contain libelous material or statements.
- Letters must contain name, satellite community, and phone number of author. Phone numbers will not be published.
- All submitted letters will be reviewed by the Communications Committee.
- Depending upon the volume of letters received, all letters may not be published. Management will make the final decision on the letters to be published and when published.
- Should there be multiple rebuttal letters received, only two will be printed on a specific topic.

This communications policy to allow letters in the *Gainey Gazette* is subject to change by the GRCA Board.

Adopted December 4, 2008

DELINQUENCY POLICY

A. Schedule

1. Start	Due Date	1st Day of Month
2. 30 Days	Delinquency Date	1st Day of Following Month
3. 60 Days	Advise Intent to Record Delinquency Notice	1st Day of 2nd Following Month
4. 90 Days	Record Delinquency	1st Day of 3rd Following Month
5. 90 Days	Letter of Intent to Take Legal Action	1st Day of 3rd Following Month
6. 105 Days	Turn Over to Attorneys For Collection	15th Day of 3rd Following Month

B. Delinquency Procedure

1. A one time Collection Charge of \$15.00 shall be charged on the Delinquency Date and reflected on the current monthly assessment statement. For multiple lots owned by the same party on the same Parcel or Unit, the Collection Charge remains at \$15.00 for the first lot, but is reduced to \$1.00 for any and all subsequent lots.

2. Interest will be assessed to all unpaid accounts commencing on the Delinquency Date, until paid, at a rate of **18%** per annum.

3. The "Assessment Delinquency Notice" language shall be printed on the current monthly assessment statement for those accounts (30) days delinquent advising the owner that a Delinquency Notice will be recorded if the required payment is not received within (30) days from the date of the Notice.

4. If any account remains Delinquent for (60) days, a letter will be mailed to such member(s) advising them the matter will be turned over to our attorneys for collection, if payment in full is not received within (14) days.

5. The Delinquent Account, consisting of delinquent and current assessments, collection charges and interest, is actually turned over to the attorneys for legal action after it is delinquent for seventy-five (75) days and the balance is increased by the amount of subsequent attorney's fees.

GAINEY RANCH RULES

ASSESSMENTS

MEMBERSHIP

Members Not in Good Standing

Any action requested of the GRCA by one of its members shall automatically be denied when the member is not, at the time of the request, a member in good standing.

RESIDENTIAL RESALE RULES

The privacy and security of owners and other residents are of paramount concern and importance to the Gainey Ranch Community Association, especially now that the original developer has departed and all initial sales of property by builders have been completed.

The following rules are adopted in furtherance of these objectives:

1. Uninvited visitors and prospective purchasers of real estate who are unaccompanied by a realtor threaten the privacy and security of the Community owners and residents when they are allowed entry and unrestricted movement within the boundaries of Gainey Ranch.
2. In the interest of safeguarding values important to the owners and residents of the Community, it is considered necessary to impose reasonable restraints on all prospective purchasers of real estate with respect to access and movement within Gainey Ranch.
3. Every prospective purchaser unaccompanied by his/her own real estate agent desiring entry into Gainey Ranch through a manned entry gate must be met at the entry gate by the owner or by a realtor representing the owner of the property which such purchaser desires to inspect. The owner or realtor, as the case may be, must accompany the prospective purchaser at all times while such purchaser is within the confines of Gainey Ranch, including any detours to look at other properties and facilities. Realtors and prospective purchasers will not be permitted to enter the Community through the North Security Plaza (Mt. View Road near Scottsdale Road).
4. Prospective purchasers will not be permitted to park any vehicle in the security plaza area when viewing a Gainey Ranch open house in the presence of a realtor or Gainey Ranch owner. Parking may or may not be available in nearby parking areas. Accordingly, whenever a prospective purchaser is driving his/her own vehicle, such purchaser shall be permitted to follow the realtor or the owner through the gate after registration of the prospect's name and vehicle license number with the security officer.
5. The accompanying owner or realtor shall be solely responsible for the actions and movements of the prospective purchaser while on Gainey Ranch, including responsibility for escorting such purchaser back to and through the gate to confirm that the prospective purchaser exits Gainey Ranch.
6. Each realtor and each prospective purchaser shall comply with all gate entry protocols and procedures, including compliance with any requests for identification and other information.

7. Entry to the following Satellite Communities is accessed through remote unmanned security gates: Vaquero Drive, Arroyo Vista, North Meadow, North Meadow II, 7400 Gainey Club Drive, and 8989 Gainey Center Drive. Non-resident entry through these remote gates is primarily controlled from each residence with the security officer located at either the East or West Security Plaza functioning in a secondary capacity. The realtor is granted entry by the owner or by informing the security officer over the remote telephone entry unit of his/her name plus his/her Personal Identification Number (PIN). Either the realtor has a PIN on file with Gainey Ranch security as a part of its Authorized List, or the realtor must register with the security officer at the appropriate manned gate and obtain a PIN before proceeding to the remote gate for entry. Whenever a prospective purchaser requests entry through a remote unmanned security gate, entry shall be exclusively controlled from inside the residence by either the owner or the realtor; thus, any request made to a security officer by a prospective purchaser to enter the Satellite Community through the unmanned gates shall be denied. However, the security officer shall, upon request, inform the prospective purchaser of the house number for the open house residence providing such open house information has been reported to Gainey Ranch Security.
8. Entry to the interior of the Enclave, Enclave II, Estates and the Legend Satellite Communities is first accessed through the East, West or North security plaza and then through a secondary unmanned security gate at the entry to the Satellite Community. Whenever a prospective purchaser requests entry through such a secondary unmanned security gate, entry shall be exclusively controlled from inside the residence by either the owner or realtor; thus, any request made to a security officer by a prospective purchaser to enter one of these communities through the unmanned gate shall be denied. However, the security officer shall, upon request, inform the prospective purchaser of the house number for the open house residence providing such open house information has been reported to Gainey Ranch Security.
9. Open house showings shall be permitted only on Wednesday, Saturday and Sunday between the hours of 12:00 noon and 5:00 p.m..
10. In order to be available for calls either from a security officer when a prospective purchaser arrives at a manned gate or directly from the prospective purchaser if the residence for sale is located in a Community protected by remote unmanned security gates, the property owner or his/her real estate agent must be present at the residence during the hours an open house is held.
11. It is incumbent upon each realtor to accompany each prospective purchaser who gains entry to Gainey Ranch under the auspices or sponsorship of such realtor through a manned security plaza. This requirement obliges the realtor to be present with the prospective purchaser at all times and at all locations visited while on Gainey Ranch and until such purchaser is escorted to and departs the Ranch through the gate of entry. The Gainey Ranch Security Patrol has been instructed to randomly monitor the whereabouts of realtors and their prospective purchasers. Realtors should not misread or underestimate the resolve of the Community Association to prevent uninvited visitors and prospective purchasers from wandering around Gainey Ranch unattended.

12. Determinations regarding compliance with the foregoing requirements shall be made by the Master Association or its authorized agents. Gainey Ranch security officers shall be agents authorized to make determinations concerning this Rule. Conduct in violation of the Rule may result in suspension or termination of a violator's right to enter Gainey Ranch or the imposition of such other remedies and penalties as may be authorized or may be legally available for a violation of the Gainey Ranch Rules.

GAINEY RANCH RULES

RESTRICTIONS

RESIDENTIAL OPEN HOUSE RESALE RULES

A. General Rules

1. Open houses shall be permitted only on Wednesday, Saturday and Sunday between the hours of 12:00 noon and 5:00 pm.

2. Prospective purchasers of real estate shall be allowed entry onto Gainey Ranch whenever a prospect requests a gate security officer to view a specific property that has been registered for open house.

3. Upon allowing entry through a manned security plaza the security officer shall provide the prospective purchaser with a map of Gainey Ranch and a listing of the registered open houses.

4. Registration for an open house shall be made by contacting the Security Captain's Office at (480) 596-0125 or by email at security@gaineyranchca.com at least 24 hours prior to the scheduled open house. Open house registration shall be effective weekly to include each Wednesday, Saturday and Sunday. Consequently, a separate registration is required on a weekly basis.

5. Entry to the following Satellite Communities is accessed through remote unmanned security gates: Vaquero Drive (does not allow open houses), Arroyo Vista, North Meadow, North Meadow II, 7400 Gainey Club Drive, and 8989 Gainey Center Drive. Non-resident entry through these remote gates is controlled by the security officer located at either the East or West Security Plaza, which ever is applicable. The realtor is required to advise the security officer both upon his/her arrival and departure at the open house site. This process will accommodate access to visitors who won't be granted access unless the officer is advised of the realtors presence at the home. The realtor is granted entry by the owner or by informing the security officer over the remote telephone entry unit of his/her name plus his/her Personal Identification Number (PIN). Either the realtor has a PIN on file with Gainey Ranch security as a part of its Authorized List, or the realtor must register with the security officer at the appropriate manned gate and obtain a PIN before proceeding to the remote gate for entry.

B. Sign Rules

To facilitate the locating of open houses, the Gainey Ranch Community Association has made authorized Open House tent signs available for purchase by residential property owners and/or their real estate agents.

The use of Open House signs is subject to the following rules:

1. Only authorized Gainey Ranch Open House Signs shall be permitted and the signs will be provided and sold to users by Gainey Ranch Community Association at a cost to partially defray the Association's outlay.

2. Usage Restrictions:

a) Single Family – One sign may be placed in front of the residence to identify the location of the open house.

b) Condominiums – One sign may be placed in front of the condominium building and another smaller sized sign may be placed close to the front door of the residence to clearly identify the residence being held open. The larger sign placed in front of the condominium building may also have a small computer typed or professionally prepared sign attached indicating only the condominium number of the open house.

c) Interior Entries & Other Locations - One sign may be placed in the entry of those subdivisions that are accessed through a manned security plaza to designate a current open house for the information of Gainey Ranch guests and residents. Even though there may be more than one open house simultaneously occurring in a given interior subdivision, only one sign shall be permitted in the entry. Additionally, a sign may also be placed within subdivisions at intersections where a directional sign is needed to further assist prospects in locating the open house.

d) Exterior Entries - One sign may be placed in front of any Gainey Ranch exterior entry to designate an open house within the community. Gainey Ranch security shall be exclusively responsible for placing the open house sign in front of the east and west security plazas. No open house sign shall be allowed in front of the north security plaza on Mountain View Road. No entry area open house sign is permitted within City of Scottsdale road right-of-way.

e) Telephone Entry Systems – No signage is allowed to be attached or needed on the telephone entry system since access into the community will be exclusively handled by a security officer at either the East or West Security Plaza.

3. New signs may be purchased at the Security Office, Monday through Friday between 7:30 am and 2:30 pm (480 596-0125). When a sign has been purchased, the sale is considered final and the Association will not buy back used signs.

4. Signs other than those authorized will be confiscated by Gainey Ranch Security.

5. Open House signs shall be permitted only on Wednesday, Saturday and Sunday between the hours of 12:00 noon and 5:00 pm.

6. Proper maintenance of Open House signs shall be the responsibility of the sign owner. When the appearance of a sign no longer meets the Gainey Ranch standard, in the sole discretion of the Gainey Ranch Community Association, it may not be used on Gainey Ranch.

7. Signs intended to designate the unit having an open house must be placed directly in front of the unit and in back of the curb and/or sidewalk.

8. Open House sign privileges will be suspended for 60 days for those who violate any of these rules. The Gainey Ranch Community Association reserves the right at its sole discretion to permanently revoke the use of Open House signs for anyone who violates these rules without reimbursement of any of the purchase price.

A summary of some, but not necessarily all, violations of these rules are as follows:

a) Failure to properly maintain a sign being displayed on Gainey Ranch.

b) Using a sign other than the sign authorized by the Gainey Ranch Community Association.

c) Attaching balloons, additional information, realtor name or anything else to the sign.

d) Using a sign at any time other than at the approved location (See B2 & B7 above).

e) Placing a sign at unapproved locations or using more signs than are approved at any given location.

9. The Gainey Ranch Community Association reserves the right to amend these rules at any time without notification to the property owners.

GAINEY RANCH RULES

RESTRICTIONS

FOR SALE SIGNS – SINGLE FAMILY RESIDENCES

1. Only one standard Gainey Ranch “For Sale” sign and sign rider is permitted to be used in the front yard of each property being sold.
2. The standard Gainey Ranch “For Sale” sign shall be available for purchase at locations specified by the Gainey Ranch Community Association.
3. The specifications of the “For Sale” sign shall be as follows:
 - a) A 12” x 18” bordered logo sign with the Gainey Ranch cactus flower logo and the word “Available” located beneath the logo.
 - b) A standard 6” x 18” sign rider containing only the name of the realty and/or person offering the property along with a telephone number shall be located directly under the “For Sale” sign.
4. The above referenced “For Sale” sign and sign rider shall be attached to a standard 4” x 4” painted wooden post. Standard materials and colors of the sign, border, letters, logo and post shall be specified by the Gainey Ranch Community Association.
5. No other attachments to the sign are allowed, such as but not limited to fliers, tubes or containers, balloons, banners or other promotional materials.
6. The sign must be located on the owner’s property and must be at least three feet (3’) from a sidewalk or right-of-way and not exceed three feet (3’) in height.
7. The sign shall be appropriately maintained and shall not be illuminated or extend beyond the selling owner’s property.
8. Within three (3) days after the close of escrow the sign and post must be removed.
9. In addition, one standard Gainey Ranch “For Sale” sign and sign rider is permitted to be displayed on an inside window of the rear elevation of the home.
10. A light weight material shall be used on the standard window sign and shall also be available for purchase at locations specified by the Gainey Ranch Community Association.
11. To accommodate the legibility from a distance, the size of the window signs may be in conformance with the industry standard size allowed by Arizona law and not exceeding 18” x 24” and a sign rider not exceeding 6” x 24”. Since a separate window sign and rider are impractical to display, the rider may be incorporated into the window sign to form one 24” x 24” sign. However, the information contained on the sign may not be combined. Therefore, the allowed rider information must appear at the bottom portion of the sign and may not exceed the 6” x 24” size allotment.
12. Standard materials and colors of the window sign, border, letters, logo and post shall be specified by the Gainey Ranch Community Association.
13. The restrictions specified in paragraph #'s 5, 7, & 8 above shall also apply to the rear window sign.
14. Signs advertising “For Lease” or “For Rent” are prohibited. Consequently, the above described “For Sale” sign containing the word “Available” may only be used for properties for sale.

FOR SALE SIGNS – CONDOMINIUMS

1. A maximum of two standard Gainey Ranch “For Sale” signs and sign riders are permitted to be displayed on inside windows of a condominium unit. One sign is permitted on both a front and rear elevation window.
2. A light weight material shall be used on the standard window sign and shall be available for purchase at locations specified by the Gainey Ranch Community Association.
3. To accommodate the legibility from a distance, the size of the window signs may be in conformance with the industry standard size allowed by Arizona law and not exceeding 18” x 24” and a sign rider not exceeding 6” x 24”. Since a separate window sign and rider are impractical to display, the rider may be incorporated into the window sign to form one 24” x 24” sign. However, the information contained on the sign may not be combined. Therefore, the allowed rider information must appear at the bottom portion of the sign and may not exceed the 6” x 24” size allotment.
4. a) The standard “For Sale” sign shall consist of a bordered logo sign with the Gainey Ranch cactus flower logo and the word “Available” located beneath the logo.

b) The standard rider sign may be incorporated within the “For Sale” sign as described in paragraph 3 above and may contain only the name of the realty and/or person offering the property along with a telephone number.
5. No attachments to the sign and rider are allowed.
6. No signs may be placed outside the unit including on patios, balconies, walls, fences, and railings or on any Association common area.
7. Within three (3) days after the close of escrow the window sign must be removed.
8. Signs advertising “For Lease” or “For Rent” are prohibited. Consequently, the above described “For Sale” sign containing the word “Available” may only be used for properties for sale.

GAINEY RANCH RULES

RESTRICTIONS

POLITICAL SIGN RULE

Pursuant to the authority granted by Article V, Section 4 of the Declaration and the Planned Communities Act as amended, the Board of Directors hereby adopts the following rule regarding political signs.

- (1). For the purpose of this rule, a “political sign” is a sign which attempts to influence the outcome of an election (not including an Association election), including supporting or opposing the election of a public officer, or supporting or opposing the circulation of a petition for a ballot measure, question or proposition, or the recall of a public officer.
- (2). This rule shall not apply to any Association election for which signs are not permitted.
- (3). Except as provided in subparagraph (4), indoor or outdoor display of a political sign on any Lot having a Residential Land Use Classification is prohibited.
- (4). From forty-five (45) days before the day of an election through seven (7) days after an election day, not more than one (1) political sign may be displayed on any Lot having a Residential Land Use Classification, (excluding, however, a condominium Unit), the maximum dimensions of which shall be twenty-four (24) inches by twenty-four (24) inches.
- (5). Nothing in this Rule shall be construed or interpreted to be more restrictive than any applicable city, town or county ordinance that regulates the size and number of political signs on residential property.

Adopted November 4, 2004

RESIDENTIAL GARAGE DOORS

Each garage door shall remain closed at all times except when opened to permit placement or removal of vehicles or other personal property therefrom.

VEHICLE PARKING RESTRICTIONS

1. Pursuant to the Master Association Declaration, Article XV, Section 5 - "Rules and Regulations," the Master Association is granted the right to adopt rules and regulations. The adopted rules and regulations may cover any aspect of the Master Association's rights, activities and duties provided said rules and regulations are not inconsistent with the provisions of the Master Declaration.
2. The Master Declaration at Article IV, Section 2 (u) - "Parking" states that the "intent of the Declarant is to restrict on-street parking as much as possible." This intention is hereby further defined as follows:
 - a) Other than designated areas, no on-street parking of vehicles shall be permitted at any time on any Gainey Ranch street by Gainey Ranch residents.
 - b) Operable vehicles of guests and invitees are to park in garages, residential driveways of the Owner or other designated parking areas and may park on the street temporarily only if the above areas are not sufficient to accommodate such vehicles. However, no overnight parking on the street shall be allowed.
3. Parking on driveways shall be governed in accordance with each individual Satellite Association Declaration.
4. Vehicles parking on Master Association parking lots shall be limited to those visiting or using the respective Master Association facility. No overnight parking shall be allowed on any Master Association parking lot other than by Association vehicles.
5. Enforcement Procedures:

The action described below pertaining to each separate violation refers to violations involving any combination of vehicles in a resident's possession. Consequently, if for example a resident owns or possesses more than one vehicle, the number of violations referenced below refers to violations by the resident without regard for which of the resident's particular vehicles are involved. Resident, for this section, is defined as anyone residing in a given dwelling.

Any notice or letter to be issued to an owner may be given by mail or delivery to the last known address of such person or any other manner reasonably calculated to result in receipt of such notice or letter by the owner. Any notice given by mail shall be deemed received two (2) business days after the mailing thereof.

- a) A warning sticker shall be placed on the windshield of any vehicle in violation of this Rule by Gainey Ranch Security.
- b) Additional violations occurring within a one-year period shall be handled as follows:
 - (I) 2nd Violation - A warning sticker shall be placed on the windshield of the vehicle by Gainey Ranch Security and the security officer will personally contact the owner of the vehicle as soon as reasonably possible to warn the individual about the violation. In addition, the Association shall send a warning letter to the owner of the vehicle stating that the vehicle shall be immobilized immediately at the owner's expense if another violation occurs.
 - (II) 3rd Violation - Another warning sticker shall be placed on the windshield and the Association shall send a letter to the owner of the vehicle stating that the vehicle has been immobilized and that it shall be towed unless appropriate arrangements are made to remove the lock and the vehicle no longer is illegally parked after three days from the date of the letter. The letter shall additionally include a warning that the vehicle shall be towed or immobilized immediately at the owners expense if another parking violation occurs within a one-year period. Such letter shall be sent with a Certificate of Mailing.
 - (III) Whenever a vehicle is towed, a notice shall be issued to the owner, assuming the owner can be identified, indicating where the vehicle is being stored.
 - (IV) Whenever the owner of a vehicle cannot be identified or determined and such vehicle has been immobilized in accordance with the above described procedures, the vehicle shall be towed after one day of being immobilized.
 - (V) If the vehicle is towed it shall be the vehicle owner's responsibility to pick up their vehicle and to pay the applicable towing charges. If the vehicle is immobilized, the monetary penalty shall be \$60 and payable at the time the lock is removed. The parking fee shall be charged and collected in accordance with Article VIII, Section 1, of the Master Association Declaration.
 - (VI) Homeowners are responsible for any parking violations of their tenants, guests and invitees. Therefore, the homeowner shall be charged the amount of any monetary penalties not paid by their tenants, guests and invitees concerning parking violations.

CAUTIONARY SIGNS REGARDING CHILDREN

Cautionary signs regarding children at play may be displayed in non-condominium residential areas upon the following conditions:

- a. Signs to be removed within one (1) hour of children ceasing to play;
- b. Signs to be displayed only when children are actually present within fifty (50) feet of sign;
- c. Signs to be no taller than three (3) feet in height;
- d. Signs to be professionally manufactured or produced.

Children are not permitted to play on Gainey Ranch Road since the posted speed limit exceeds 25 miles per hour.

GAINNEY RANCH

RESIDENTIAL SECURITY SPECIFICATIONS

Residential Security System

All buildings constructed in areas having *Residential Land Use Classification* must, at the time of construction, contain the following minimum wiring, security devices and standards (as indicated in the CC&Rs):

A. All pre-wire must be installed to meet or exceed the following standard:

1. All moveable openings and peripheral equipment to be wired with 22 AWG 4 conductor stranded wire or better.
2. All fire systems to be wired with **18/2 105' C UL approved fire wire**, fully supervised (per City of Scottsdale Fire Code).
3. All wiring to be installed to prevent AC electrical interference.
4. All wiring to be **home run** from the control panel to each device.
5. All wiring to be marked and identified as to device or contacted opening at the control panel..
6. Class II power transformers **will not** be installed in clothes closets. Power for control panel will be wired to water heater area.

B. System trim out and activation to meet or exceed the following standard:

1. A Bosch/Radionics model 7412G Control Communicator shall be installed. It shall include an 8103 Enclosure, D101 Lock/Key, 712 Battery, Telco Cord, Telco Block and will be programmed as indicated on the program sheet.
2. Two Bosch/Radionics D-1255 digital arming stations shall be installed at the entry from the garage and in the master bedroom. The front entry will be pre-wired to accommodate the addition of a D-1255 if desired by homeowner.
3. All moveable openings to be protected with a magnetic contact.
4. Smoke detector(s) to be installed with number and location as per code.

5. Flow switches for sprinklers to be wired into the fire zone. A flow switch with two sets of contact is required.
6. Three-button emergency console will be replaced by the D-1255 digital arming station already installed in master bedroom.
7. Inside audible (dual tone) siren to be installed.
8. RJ31X telephone interface to be wired into panel from outside phone service.
9. A strobe light to be installed on the outside of each building. (Multifamily units may either have one strobe light for each unit or, at least, one strobe light per building.)
10. Zones to be wired and programmed to insure continuity with **all** the other Gainey Ranch accounts currently being monitored.
11. Each system to be fully powered up, programmed and tested and **be completely operational as a local system**. Each system to be inspected by the monitoring company to verify the functionality of the system at time of conversion. Any problems will be reported to builder and repaired by the installing alarm company. In cases where installation does not meet this specification, builder will be billed by monitoring company at a rate of \$75.00 per hour for the inspection and subsequent follow-up.
12. All systems to be warranted by installing company for a period of twelve (12) months, covering all parts and labor. If Amer-X or GRCA is required to do any warranty work, it will be charged back to builder at the current billable rate.

C. Alternate Equipment

1. An upgraded type Control Communicator by Bosch/Radionics is also acceptable but systems other than Bosch/Radionics are not acceptable. The Model 2412 is also acceptable when replacing an existing Tocom panel.
2. The basic system may be upgraded by adding components not listed in the (above) minimum requirements. Maintenance of any non-standard device (such as motion detector, glass-break detector or alarm screen) shall be at the owner's expense.

For distributor information, specific custom design application and a summary of how the entire Gainey Ranch alarm system functions, please contact the Gainey Ranch Community Association at (480) 951 – 0321.

ENTRY GATE ACCESS DEVICES

Article X, Section 5 of the Master Declaration requires the Gainey Ranch Community Association (GRCA) to operate the Gainey Ranch security system. The Gainey Ranch security system currently includes both manned and unmanned security plazas or gates. The following rule has been adopted by the ORCA Board with respect to the operation of the Gainey Ranch security system.

I. MANNED ENTRANCE GATES AT NORTH, EAST AND WEST SECURITY PLAZAS

Entry by Gainey Ranch residential property owners into Gainey Ranch through the North, East or West security plazas shall be implemented either by the use of the encoded entry card (the "card") or by the security officer opening the gate after the individual is identified as a Gainey Ranch residential owner. The current Gainey Ranch windshield decal (the "decal") is usually the quickest method of obtaining identification whenever the card is not used. The decal is intended to distinguish vehicles used by Gainey Ranch owners from all others.

CARD AND WINDSHIELD DECAL ISSUANCE - Cards and decals shall be issued at the GRCA Administration Office only to Gainey Ranch residential owners but not to GRCA business members. There shall be a charge for each card requested but the decals shall be issued without charge. An owner shall be entitled to purchase one card and obtain one decal for each vehicle operated on Gainey Ranch by such owner or others who are permanent residents of his/her Gainey Ranch unit. Consequently, the number of cards and decals issued to an owner may not exceed the number of vehicles regularly operated by the permanent residents of the unit. The decal shall be placed on the lower left portion of the windshield (driver's side) and must be removed when such vehicle is no longer operated by a permanent resident of the unit. No decal shall be issued to an owner for use on a tenant's or temporary resident's vehicle. However, an owner may lend his or her card(s) to tenants and other temporary residents but shall not allow the card to be used by a non-resident of Gainey Ranch other than the owner's agent. An application form certifying each owner's compliance with the card and decal issuance use regulations, including specific vehicle information, must be signed by the owner prior to issuance of any cards and decals. When a unit is owned by a corporation or business and there are no regular residents, the maximum number of cards and decals that may be issued shall be determined on an individual basis. GRCA shall maintain a current record of the serial numbers of cards and decals issued to each owner.

II. GATES AT UNMANNED ENTRANCES

The following Gainey Ranch communities are located behind unmanned entrance gates: Arroyo Vista, 8989 Gainey Center Drive, North Meadow, North Meadow II, 7400 Gainey Club Drive and Vaquero Drive.

Entry by property owners in each of the respective above-referenced communities shall be implemented either by the use of the card or a gate transmitter provided the use of gate transmitters is approved by the Satellite Community's Board. Inputting a code into the Sentex/Elite equipment to gain entrance shall be prohibited. The issuance of the cards and windshield decals shall be on the same basis as described above in Section I.

Whenever a Satellite Board approves the use of gate transmitters in addition to the cards as an alternative means for its residents to access the entry gates, a maximum of one gate transmitter may be obtained for each vehicle regularly used on Gainey Ranch by a permanent resident. Consequently, if there are 2 vehicles operated by permanent residents in a given household and the Satellite Board approved the use of gate transmitters, such owner would be entitled to obtain a maximum of 2 cards, 2 gate transmitters and 2 decals. There shall be a charge for each gate transmitter and card issued. As an additional security measure, a separate code for each individual gate transmitter will need to be programmed into the receiver equipment located near the entry gates to allow entry. The gate transmitters shall be issued on the same basis as the cards (See Card and Windshield Decal Issuance paragraph above).

Decals will be issued upon request and card(s) will be programmed to also access the North, East and West security plaza gates in case a resident should desire to use the Estate Club or to visit the GRCA Administration Office or Maintenance Facility.

III. STATUS CHANGES

The maximum number of authorized entry gate access devices shall always be equal to the current number of vehicles regularly used on Gainey Ranch by the permanent residents of the unit (please see possible gate transmitter exception above for owners protected by unmanned security gates). When the number of such vehicles changes, the owner will be entitled to either purchase an additional entry device(s) or shall be required to return any such device(s) to the GRCA Administration Office. No reimbursement of the purchase price shall be made upon the return to the GRCA of any gate access device, regardless of the reason for such return.

When the unit is sold, the gate access devices may be given by the seller to the purchaser along with the house keys. The GRCA shall invalidate each gate access device registered to the owner upon sale of the unit. The new owner shall be in turn

required to register and re-validate any entry gate devices received from the seller free of charge at the GRCA Administration Office, according to his or her own number of vehicles currently in use.

When a vehicle with a decal on the windshield is sold, no longer in use by an authorized resident of the unit or when the unit is sold, the owner is required to dispose of the decal by removing it from the windshield. At 36-month intervals, the GRCA shall re-issue the decals in order to cure any potential security breaches caused by owners who have not properly removed the decals as required above.

IV. LOST OR NON-FUNCTIONING CARDS AND GATE TRANSMITTERS

If a card and/or gate transmitter is lost, its identity should be immediately reported to the GRCA Administration Office. The GRCA shall cause the lost card and/or gate transmitter to be invalidated. A replacement card and/or gate transmitter may be purchased by the owner at the GRCA Administration Office.

If a card and/or gate transmitter is not functioning properly, it shall be replaced, if necessary, free of charge at the GRCA Administration Office. An exception is that if the card or gate transmitter has been mutilated or physically damaged, including damage caused by sun or excess heat, such replacement shall be at the regular purchase price. An additional exception is that the gate transmitter battery maintenance is the responsibility of the owner.

V. INTERIOR ENTRY GATE ACCESS DEVICES

In addition to the main manned perimeter entrance gates at the North, East and West security plazas, secondary unmanned entry gates further control access to four interior communities. The interior entry gates refer to those located within Gainey Ranch at the entrance to the Enclave, Enclave II, Estates and the Legend.

Each card purchased by an owner in any of these four communities will also be programmed to open the appropriate interior gate. (Enclave II and the Legend do not currently have a card reader).

The use of the gate transmitters and codes used to also gain entrance to an interior gated community shall be at the discretion of each respective Satellite Association Board of Directors.

VI. EXCEPTIONS

It is recognized that there may be a few cases where the owner(s) of a Gainey Ranch unit present special circumstances which justify a limited exception to strict enforcement of the provisions of Paragraph I and II hereof. These owner(s) may

apply to the Executive Director for the issuance and purchase of one extra card for the unit. The written application shall specify the nature of the hardship imposed or special need created for the applicant(s), by enforcement of the provisions of Paragraphs I and II, which substantiates the exceptional treatment sought. The written application shall also state that applicant(s) assumes full responsibility vis-à-vis the Gainey Ranch Community Association for use of the extra card until it is surrendered after it is no longer required or reported for cancellation as lost or misplaced.

The Executive Director is charged with the responsibility of evaluating the merits of all applications presented to him pursuant to this Paragraph VI. The Executive Director is hereby granted the authority, in his discretion, to issue or to refuse to issue an extra card sought by any application. The decision of the Executive Director on the merits of any case hereunder shall be final.

An owner of an unleased Gainey Ranch residence, who is not a permanent resident of Gainey Ranch, and/or who does not regularly operate a vehicle identified with his/her unit may, nevertheless, apply for a card for each unit owned. This exception is intended to handle those owners who rent a vehicle when at his/her Gainey Ranch unit and those who own multiple units.

An owner of a Gainey Ranch residence, who leases his/her unit and is not a resident of Gainey Ranch, shall nevertheless be entitled to a maximum of two cards upon proper application.

An owner of a Gainey Ranch lot that is undeveloped or in the process of development, who is not a resident of Gainey Ranch, shall nevertheless be entitled to one card upon proper application.