FLAGSTAFF RANCH PROPERTY OWNERS ASSOCIATION RULES AND REGULATIONS EFFECTIVE DATE: AUGUST 20, 2014

INTRODUCTION

These rules and regulations ("Master Association Rules") have been adopted by the Board of Directors of the Flagstaff Ranch Property Owners Association, an Arizona nonprofit corporation ("Master Association") pursuant to the authority granted to the Board of Directors by Section 5.6 of the Master Declaration of Covenants, Conditions and Restrictions for Flagstaff Ranch Golf Club Residential Community recorded as Document No. 3122291 in the records of the County Recorder of Coconino County Arizona, as amended ("CC&Rs"). Unless otherwise defined in these Master Association Rules, each capitalized term used in these Master Association Rules shall have the meaning given to such term in the CC&Rs.

As provided in Section 5.6 of the CC&Rs, the Master Association Rules are binding upon all persons subject to the Master CC&Rs and shall have the same force and effect as if they were set forth in and were part of the CC&Rs.

These Master Association Rules govern and restrict the use of the Master Common Area and the use and occupancy of the Lots. The restrictions on the use of the Master Common Areas and the use and occupancy of the Lots set forth in these Master Association Rules are in addition to the restrictions regarding use of the Master Common Areas and the use and occupancy of the Lots set forth in the CC&Rs. All Owners and Occupants should review the provisions of the CC&Rs governing the use of the Master Common Areas and the use and occupancy of the Lots.

When Flagstaff Ranch was initially developed, the Master Association did not own the community center, fitness center, tennis courts and swimming pool. Those amenities were retained for the exclusive benefit of the members of the Flagstaff Ranch Golf Club. However, the community center, fitness center, tennis courts and swimming pool have now been conveyed to the Master Association and constitute Master Association Common Area. The golf course is not owned by the Master Association, but is owned by the Flagstaff Ranch Golf Club. No Owner or Occupant has the right to use the golf course unless the Owner or the Occupant is a member or accompanied guest of the Flagstaff Ranch Golf Club.

ARTICLE 1

USE AND OCCUPANCY RESTRICTIONS

1.1 Trash Collection

Trash collection within Flagstaff Ranch is provided by trash collectors (each a "Trash Collector") hired by each Owner. Only trash containers provided by the Trash Collector are permitted to be placed at the curb for collection. Trash containers may be placed at the curb the day prior to the scheduled collection date, and they must be removed no later than 7:00 p.m. on the collection date. At all other times, trash containers must be placed in a garage or in some other place on a Lot so as not to be visible from another Lot or the Master Common Areas.

1.2. **Parking**

- (a) A Vehicle may be parked on a Lot only in a closed garage or on the paved driveway constructed as part of the initial construction of the residence and other improvements on the Lot. Only Vehicles that are legally registered for use on public highways and which are in operating condition may be parked overnight on a driveway. No more than two Vehicles shall be parked on a driveway without the prior approval from the Master Association's Community Manager or Gate House. Any such approval by the Master Association's Community Manager or Gate House shall be for no more than one week in duration and no more than three weeks in a three-month period and for no more than a single additional Vehicle. Recreational vehicles, dirt bikes, all terrain vehicles, quads, side-by-sides, golf carts, toy haulers, trailers for recreational vehicles or any other similar Vehicle shall not be parked overnight on a driveway or Lot, except that parking of such vehicles on a driveway for no more than 24 hours is permitted with the prior approval of the Master Association's Community Manager or Gate House. The Master Association's Community Manager or Gate House shall not permit the parking of such vehicles on a driveway for more than one twenty-four hour period in any one month period.
- (b) Garages shall be used for the parking of Vehicles. Garage doors shall be kept closed at all times except when it is necessary to open the garage door to allow a vehicle to enter or exit the garage or for the placement or removal of personal items or for cleaning purposes or for the performance of other permitted work on the Owner's Lot.
- (c) Temporary parking of Owner or Occupant Vehicles on a Private Road is allowed for no more than 6 consecutive hours (and not overnight) for the purpose of loading and unloading the Vehicle and for no more than 2 consecutive hours for any other reason. Overnight parking of Owner or Occupant Vehicles on a Private Road is not allowed. In no event shall an Owner or Occupant Vehicle parked on a Private Road block access to a Lot. Temporary parking of Owner or Occupant Vehicles on the Private Roads is not allowed during periods of snowfall or expected snowfall. No Vehicle which is not registered for use on a public highway or which is not in operating condition shall be parked on any Private Roads.
- (d) If an Owner or Occupant has guests, the Owner or Occupant must notify the Gate House to secure a parking permit for any and all guest Vehicles, which must be legally registered for use on public highways. Unless otherwise notified by Owner or Occupant, the Gate House will issue a parking permit to allow parking of guest Vehicles only on the Owner's Driveway. If an Owner or Occupant intends to have a party or other event which will require the guests of the Owner or Occupant to park on the Private Roads, the Owner or Occupant must notify the Gate House to secure a parking permit to allow parking of guest Vehicles on the Owner's driveway or the Private Roads. Overnight parking of guest Vehicles on a Private Road is not allowed. Recreational vehicles, dirt bikes, all terrain vehicles, quads, side-by-sides, golf carts, toy haulers, trailers for recreational vehicles or any other similar Vehicle shall not be parked overnight on a driveway or Lot, except that parking of such vehicles on a driveway for no more than 24 hours is permitted with the prior approval of the Master Association's Community Manager or Gate House. In no event shall a Vehicle parked on a Private Road block access to a Lot. Temporary parking of Vehicles on the Private Roads will not be approved during periods of snowfall or expected snowfall. No Vehicle which is not registered for use on a public highway or which is not in operating condition shall be parked on any Private Roads.
- (e) No unlicensed drivers may operate any Vehicle within Flagstaff Ranch. Privately owned golf carts or other motorized vehicles may not be operated on the Private Roads, unless it is legally

registered for use on a public roadway. All Vehicles must comply with the posted speed limits within Flagstaff Ranch. All Vehicles must be driven in a safe manner and in compliance with the laws of the State of Arizona governing the use of motor vehicles on public highways. Golf Carts may be used on the Private Roads only for access to and from the Community Center and the Flagstaff Ranch Golf Club.

1.3. **Pets**

- (a) Household Pets permitted on a Lot under Section 13.4 of the CC&Rs ("Permitted Pets") must be on a leash controlled by its Owner (or continuously carried by Owner) at all times that the Permitted Pet is off the Owner's Lot. No Permitted Pet shall be allowed to enter another Owner's Lot without the express permission of the Owner or Occupant of that Lot. The owners of a Permitted Pet must immediately pick up any waste from the Permitted Pet that is deposited on any sidewalk, Private Road or other Master Common Area or on another Owner's Lot and dispose of such waste in a proper trash receptacle. The Owner of a Permitted Pet must pick up daily any waste from a Permitted Pet that is deposited on the Owner's lot.
- (b) No Permitted Pet is allowed in the clubhouse or community center buildings, the swimming pool or the tennis court areas, except that a certified service dog for a handicapped person may accompany its owner into the clubhouse and community center buildings, the swimming pool area and the tennis court area.
- (c) The owner of a Permitted Pet must curtail noise from the Permitted Pet to the greatest degree possible. Noise from a Permitted Pet that can be heard on any portion of the Master Common Area or on another Lot for sustained periods of time will be considered a nuisance prohibited under Section 13.4 of the CC&Rs. This includes intermittent noise that may be repeated regularly over a sustained period. Occasional barking of a short duration of less than 5 minutes will not generally be considered a violation. Owners are required to employ whatever effective noise deterrent methods are available to minimize noise from Permitted Pets, including, but not limited to, obedience training, anti-barking collars, keeping the Permitted Pet within the residence on the Lot within sound-proof indoor spaces, play therapy, muzzling and similar methods. In the event the owner of a Permitted Pet is not able to mitigate noise from the Permitted Pet, the Board of Directors is authorized to take legal action to prohibit the Permitted Pet from being kept in Flagstaff Ranch with the legal costs incurred by the Association being charged to the offending owner.

1.4. **Real Estate Signs**

No for sale, for rent or for lease signs, open house signs or any other sign advertising a residence in Flagstaff Ranch for sale or lease may be constructed or erected on the Master Association Common Area without the prior written approval of the Master Association. No for sale, for rent or for lease signs may be erected or placed on a Lot other than a sign, which is commercially produced and which is an industry standard size sign, which shall not exceed 18 x 24 inches, and an industry standard size rider, which shall not exceed 6 x 24 inches. All for sale, for rent or for lease signs on a Lot shall be placed in the front yard only and shall not be placed within the building setback required on each Lot or the right-of-way for any Private Road. For sale, for rent, for lease signs may not be placed on or attached to trees or any fixed structures such as utility boxes, traffic control signs or any roadside structure. No attachments to such signs are allowed including, but not limited to, flyers, tubes or containers, balloons or banners or other promotional materials.

Signs shall not be illuminated and must be free standing. For sale, for lease or for rent signs must be removed within 24 hours after the close of escrow for the sale of the Lot or after a lease agreement has been signed for the Lot. If an Owner intends to have an open house, the Owner must provide the Master Association with authorization for the realtor or prospective purchasers to enter Flagstaff Ranch for the purpose of viewing the Lot. The Owner must provide a contact number to the Master Association where the Owner will be available during the open house. The realtor or Owner must escort the prospective purchaser to the Lot, and on completion of the viewing of the Lot, shall escort the prospective purchaser out of Flagstaff Ranch. Realtors must identify themselves to the safety personnel at the gatehouse upon arrival and exit of Flagstaff Ranch. Directional signs are not permitted on any Lot or the Master Common Areas without the prior written approval of the Board of Directors. See exhibit A

1.5. **Lot Maintenance**

All Lots and the Residences and other improvements erected or placed on a Lot (including, without limitation, landscaping and drainage) shall at all times be maintained in such manner as to prevent their becoming unsightly. The vegetation and landscaping on any Lot shall be planted or maintained by the Owner or resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils. Each Owner shall also be responsible for the maintenance and repair of any Residence, garage or other structure which may be constructed or installed upon his or her Lot. Such maintenance and repair shall be of high quality. Without limiting the generality of the forgoing, each Owner's repair and maintenance obligations shall extend to and include painting, repairing, replacing and caring for roofs, fences, exterior building surfaces, exterior glass surfaces and exterior doors. No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate on any residential Lot so as to be or become unsightly, offensive or detrimental to any neighboring properties or residents.

ARTICLE 2

USE OF MASTER COMMON AREAS

2.1 Use by Owners

Owners and Occupants (other than tenants) and their guests may only use the swimming pool, tennis court, clubhouse, community center and fitness center during the posted hours of operation, without the prior written approval of the Master Association. Each Owner or Occupant is responsible for assuring that they and their accompanied guests comply with all the provisions of the CC&Rs, these rules and regulations, and the specific rules promulgated by the POA for the Community Center, Pool, and Fitness Center from time to time.

2.2 Use by Tenants

As provided in the CC&Rs, an Owner may delegate and assign the Owner's right to use the swimming pool, tennis court, community center and fitness center to the Owner's tenant. A Tenant is a lessee of the Owner's Lot and improvements that is not a short term renter considered a Sponsored Guest under section 2.3 hereof. A Tenant form needs to be completed and signed by the homeowner and tenant, with the payment of a fee of \$10.00 per person. In addition, any Owner desiring to delegate and assign the Owner's right to use the swimming pool, tennis court,

community center and fitness center must contact the Association and complete all documents required by the Association and pay the \$10.00 per person administrative fee. Tenants may contact the Association and obtain transponders for ingress and egress through the security gates. As provided in the CC&Rs, an Owner who delegates and assigns the Owner's right to use the swimming pool, tennis court, community center and fitness center to the Owner's tenant shall not have the right to use such facilities during the term of the lease. Tenants must comply with all the provisions of the CC&Rs, these rules and regulations, and the specific rules promulgated by the POA for the Community Center, Pool, and Fitness Center from time to time. Homeowners are responsible to inform their Tenants of the applicable rules.

2.3 Use by Sponsored Guests

If a homeowner allows someone to use their home without the homeowner being present, whether as a guest or short-term renter ("Sponsored Guests"), such person(s) can use the facilities unaccompanied during their stay at the home, without the homeowner losing the right to use the facilities, provided:

- a. It is limited to no more than 30 days a year, and no more than 14 consecutive days at any given time.
- b. A Sponsored Guest form needs to be completed and signed by the homeowner and guest, with the payment of a fee of \$10.00 for each sponsored guest card issued. This must be arranged Monday Friday between the hours of 8am 5pm through the POA accounting office. No more than 4 Sponsored Guests will be allowed at any given time. At least one of the Sponsored Guests must be 25 years or older. Sponsored Guests under the age of 25 must be accompanied by a Sponsored Guest age 25 or older to use the facilities.
- c. Member charge privileges will not be allowed by any Sponsored Guests. All Sponsored Guests must provide a credit card for all purchases.

Sponsored Guests must comply with all the provisions of the CC&Rs, these rules and regulations, and the specific rules promulgated by the POA for the Community Center, Pool, and Fitness Center from time to time. Homeowners are responsible to inform their Sponsored Guests of the applicable rules.

ARTICLE 3

FINES/SANCTIONS

3.1 **Enforcement Procedures**

Section 5.6 of the CC&Rs empowers the Board of Directors to establish a system of fines and penalties enforceable, as Special Assessments, for violations of the CC&Rs or these Master Association Rules or the Flagstaff Ranch Golf Club Residential Development Standards. The imposition of a fine for violation of the CC&Rs or these Master Association Rules is in addition to any other enforcement power that the Association may have such as suspending use privileges for Master Association Common Areas or seeking an injunction to correct any violation of the CC&Rs

of the Master Association Rules and to prohibit any future violations. Nothing in these Master Association Rules shall require the Association to follow the procedures set forth in this Section or to levy a fine against an Owner or Occupant before filing a legal action to obtain an injunction to restrain the violation and to correct any continuing violation. Failure to comply these Master Association Rules by an Owner's Tenant or Sponsored Guest shall itself be a violation of these Master Association Rules by the Owner.

3.2 Initial Notice of Violation

Upon becoming aware of a violation of the CC&Rs, these Master Association Rules or the Flagstaff Ranch Golf Club Residential Development Standards, the Association shall notify the Owner or Occupant of the nature of the violation and, if the violation is continuing, the action which must be taken in order to correct the violation and the date by which the corrective action must be completed. If the violation is the first violation by the Owner or Occupant, no fine or sanction will be levied against the Owner or Occupant.

3.3 **Second Notice of Violation**

If the Owner or Occupant has received an Initial Notice of Violation, and the violation of the CC&Rs, the Master Association or the Flagstaff Ranch Golf Club Residential Development Standards occurs again or, in the case of a continuing violation, has not been corrected by an Owner or Occupant by the date for completion set forth in the Initial Notice of Violation, the Association may issue a Second Notice of Violation notifying the Owner or Occupant of the Board's right and intention to impose a fine or other sanction and, in the case of a sanction (eg., suspension of use privileges for Master Association Common Areas), the beginning and ending date. The Second Notice of Violation shall include the provision of the community documents that has been allegedly violated, the date of the violation or the date the violation was observed and the first and last name of the person or persons observing the violation. The Second Notice of Violation shall also notify the Owner that the Owner has a right to be heard by the Association and the process the Owner must follow to contest the fine. In the case of a sanction on a non-owner Occupant such sanction will be enforced on the beginning date specified in the Second Notice of Violation and stopped before the ending date only if reversed by a successful contest by the Owner in accordance with the contest process specified in the Second Notice of Violation.

3.4 Manner of Notice

Notices given under this section shall be in writing and sent to the email address on file with the POA for the Owner or Occupant. In the case of violations by Tenants and/or Sponsored Guests, the Owner shall be copied on the notice and the Owner thereby deemed notified. It is the obligation of the Owner or Occupant to provide the POA with a current working email address.

3.5 Assessment of Fines or Other Sanctions on Owners

If the Board imposes any fine or other sanction on the Owner, the Association shall issue an Assessment of Fine/Sanction notifying the Owner that the fine/sanction has been imposed and the amount of the fine/nature of sanction and in the case of a continuing violation the amounts of

any additional fines/sanctions for failure to correct the violation. Any such fine/sanction on the Owner will be imposed only after notice is given pursuant to sections 3.2 and 3.3 herein and under applicable law and the Owner has had an opportunity to contest any violation consistent with the CC&R's or the Rules or Regulations adopted by the master association. Unpaid special assessments imposed on Owners shall result in liens on the property in accordance with section 5.6 and Article VII of the CC&Rs. Repeated violations by Tenants/Sponsored Guests of these Rules and Regulations (eg., Master Association Common Area rules for the Pool, Community Center, and Fitness Center) can result in suspension of use privileges for Master Association Common Areas for them and subsequent Tenants/Sponsored Guests as determined by the POA Board.

Revised 8/20/14