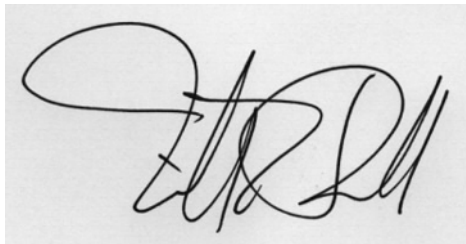


BRIDGEWOOD TOWNHOMES

RULES & REGULATIONS

PURPOSE: The purpose for Rules and Regulations is to establish reasonable policies of conduct and standards that inure to the benefit of our members, residents, and guests; provide for security and safety; promote and preserve high property values; and facilitate the ***peaceful enjoyment, possession, and use*** of our property.

Adopted by the Bridgewood Townhomes Board of Directors Monday, 27 January, 2003.

A handwritten signature in black ink, appearing to read 'M. Brubaker', is shown on a light gray background.

Michael L. Brubaker, President

"A hallmark of a valid policy is – you don't have to make people do it." - Mike Vance

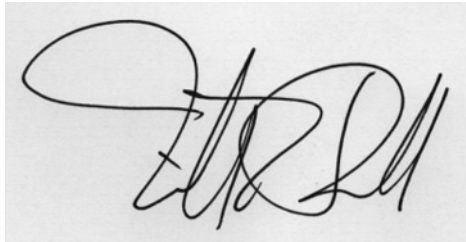
BRIDGEWOOD TOWNHOMES

CLEANLINESS & WATER

PURPOSE: It's to the benefit of our community to establish reasonable policies that promote and encourage the cleanliness of our property and possessions.

POLICY: Moderate exterior washing of buildings and possessions is permitted (*This includes, but is not limited to, windows, patios, sidewalks, and vehicles.*), to the extent that it becomes inconsiderate and abusive of common water resources.

Adopted by the Bridgewood Townhomes Board of Directors Monday, 27 January, 2003.

A handwritten signature in black ink, appearing to read 'M. Brubaker', is written on a light gray background.

Michael L. Brubaker, President

"Be a light, not a judge. Be a model, not a critic. Be part of the solution, not part of the problem." - Stephen Covey

BRIDGEWOOD TOWNHOMES

PATIO AREAS

PURPOSE: A guiding principle of the Board of Directors in conducting the affairs of our Association is to facilitate the ***peaceful enjoyment, possession, and use*** of our property by members, residents, and guests. In conjunction with this principle it is prudent to establish reasonable policies of conduct and standards that promote and preserve a “quality” appearance and a high market value of our property.

POLICY: Patio areas shall be ***visibly*** clean and well kept with patio appropriate furnishings. (*Examples of inappropriate furnishings: clothes washers and dryers, refrigerators, automotive parts, etc.*) Gates, doors, window screens, and lighting fixtures shall be kept in good repair.

Adopted by the Bridgewood Townhomes Board of Directors Tuesday, 25 February 2003.

A handwritten signature in black ink, appearing to read 'M. Brubaker', is shown on a light gray background.

Michael L. Brubaker, President

“Be a light, not a judge. Be a model, not a critic. Be part of the solution, not part of the problem.” - Stephen Covey

BRIDGEWOOD TOWNHOMES

DOGS

PURPOSE: The Association's covenants provide that the Association's Rules and Regulations be governed by and in compliance with the laws of the State of Arizona and the City of Mesa.¹ This policy, regarding dogs, is to clarify the Association's Rules and Regulations and insure compliance with current law.

POLICY: 1. All dogs over the age of four (4) months shall wear a collar or harness to which is attached a valid license tag.²

2. DOGS ARE NOT PERMITTED AT LARGE. A dog is not at large³:

- a. If said dog is under the control of the owner or person acting for the owner and is restrained by a leash, chain, rope, or cord of not more than six feet (6') in length of sufficient strength to control the actions of said dog.
- b. If said dog is controlled within a suitable enclosure which actually confines the dog, such as a patio area.

3. Tethering a dog to "common elements and facilities", such as trees and fencing, is prohibited. Tethering a dog in such a manner that it interferes with the use and enjoyment of the Association's "common areas" by other owners, residents, or guests is prohibited.⁴

4. DOG FECAL-MATTER – Any person owning, possessing, harboring, or having the care, charge, control, or custody of any dog shall IMMEDIATELY remove and thereafter dispose of any fecal-matter deposited by the dog.⁵

¹ C,C,&R's ¶ 19.F.; By-Laws Art. VIII.

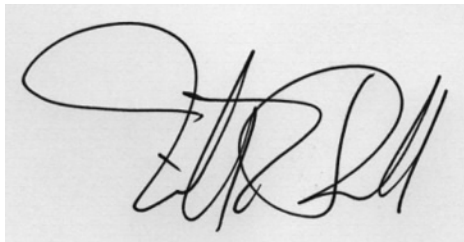
² Mesa City Code Title VI, Ch. 4, Sec. 6-4-7(B).

³ Mesa City Code Title VI, Ch. 4, Sec. 6-4-7(D).

⁴ By-Laws Art. VI, Sec. 4(a).

5. Unsanitary premises are unlawful⁶ and prohibited. It is prohibited for any owner to permit their premises, building, or patio area(s) to become unsanitary or offensive to sight or smell.
6. Patio area “kennel conditions” are prohibited; conditions observed as a dog’s lair, soil lacking vegetation with animal ‘diggings’, patio flooring-surfaces with urine and/or litter, dog houses or carriers.
7. No person shall keep or maintain or permit the keeping of upon any premises owned, occupied, or controlled by such person any dog that creates an offensive or excessive noise.⁷
8. Failure to comply with these policies would result in compliance remedies, in accordance with the Covenants Compliance Process, that could include substantial charges to your Unit account for remedy expenses, administrative fees, monetary penalties (fines), and/or legal costs.

Adopted by the Bridgewood Townhomes Board of Directors Sunday, 22 November 2009.

A handwritten signature in black ink, appearing to read 'Michael L. Brubaker', is shown on a light gray background.

Michael L. Brubaker, President

“Be a light, not a judge. Be a model, not a critic. Be part of the solution, not part of the problem.” – Stephen Covey

⁵ Mesa City Code Title VI, Ch. 4, Sec. 6-4-30.

⁶ Mesa City Code Title VI, Ch. 4, Sec. 6-4-28.

⁷ Mesa City Code Title VI, Ch. 12, Sec. 6-12-5(D)2.

BRIDGEWOOD TOWNHOMES

PARKING

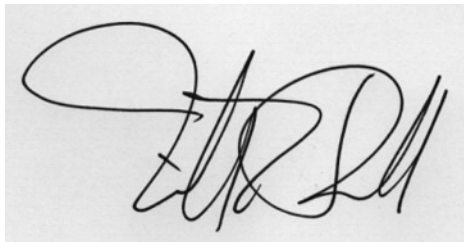
PURPOSE: This policy, regarding parking, is an interpretative¹ clarification of the Association's Rules and Regulations that offers flexibility and accommodation for the parking needs of our members, residents, and guests, while providing for community safety considerations and promoting and preserving a "quality" appearance of our property, which enhances property values.

- POLICY:**
1. Each Unit is assigned two (2) numbered parking spaces for parking resident vehicles, one (1) covered and one (1) uncovered.
 2. Any vehicle parked in a numbered space without the permission of that space's Unit owner or resident may be towed by the Association at the request of the Unit owner.
 3. Unnumbered parking spaces are available for parking guest vehicles for periods of up to three (3) consecutive days.
 4. Residents may use no more than one (1) unnumbered parking space in excess of their two (2) occupied numbered parking spaces for parking resident vehicles for periods greater than three (3) consecutive days, subject to the approval of the Board of Directors.
 5. Any vehicle that is parked in a manner that restricts access for emergency vehicles or obstructs traffic visibility is prohibited.
 6. Vehicles that are inoperable, disabled, un-roadworthy, or lack current registration are prohibited. Mechanical work or maintenance, which results in the disabling of a vehicle for more than one (1) day, is prohibited.

¹ C,C,&R's ¶ 9.F.

7. Boats, trailers, RV's², and similar vehicles may only be parked for purposes of loading, unloading, and cleaning for periods of up to three (3) consecutive days, subject to the approval of the Board of Directors. *(Campers that extend above the cab of the truck are classified as RV's.)*
8. Large commercial vehicles may be parked for loading and unloading only, not to exceed twenty-four (24) hours.
9. For the protection of vehicles and long-term storage neutral-toned covers manufactured specifically for vehicles are permitted, subject to the approval of the Board of Directors. *(Tarps are unacceptable and prohibited.)*
10. Prohibited vehicles are subject to towing by the Association. Towing charges are the responsibility of the vehicle's owner.

Adopted by the Bridgewood Townhomes Board of Directors Saturday, 6 May 2006.

A handwritten signature in black ink, appearing to read 'Michael L. Brubaker', is shown on a light gray background.

Michael L. Brubaker, President

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² Mesa City Code Title XI Sec. 11-17-6 (B) 3.

TELECOMMUNICATIONS INSTALLATION

GUIDELINES & STANDARDS

PURPOSE: The following policies for telecommunications installations were established to provide members, residents, and contractors guidelines and standards that: (i) permit the installation of telecommunications equipment for individual units, (ii) contributes to the safety of personnel on building roofs by minimizing hazards, (iii) preserves and protects our property's roofing system and the buildings' exterior surfaces, which the Association is responsible to maintain and repair¹, and (iv) preserves an aesthetic appearance of our property, which enhances property values.

POLICY:

1. The installation of satellite dish antennae and communications cable and wire are subject to the approval of the Board of Directors.²
2. All installations are to maintain a low visual impact.
3. Satellite dish antennae may only be installed: (i) within a walled patio area, not to extend above the height of the wall, (ii) on a roof parapet, and (iii) on the exterior surface of the angular parapet walls that extend above the main roof surface of the single story units.
4. Satellite dish antennae of rooftop installations must be at least ten-feet (10') inside of the building's drip line.
5. Stands, "sleds", and concrete blocks are not permitted on the foam roof surface. Metal "saddles" may be used over the angular parapet walls that extend above the main roof surface of the single story units.
6. All anchoring penetrations into roofing parapets and exterior wall surfaces must be adequately sealed to prevent moisture incursion.

¹ C.C.&R's ¶ 7. A.

² By-Laws Art. VI. Sec. 6(e).

7. Generally, cabling and wire should be installed a minimum of four inches (4") below-grade in Schedule-40 PVC conduit. *The Association will not be responsible for cable and wire damage that does not meet this standard.* Cabling and wire inserted in the expansion joints of common area sidewalks is not permitted.

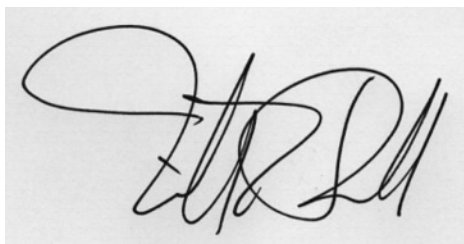
8. Cabling and wire is not permitted on building exterior walls, above eighteen-inches (18") from grade, except: (i) on the top of roof parapets, (ii) on the angular parapet walls that extend above the main roof surface of the single story units, and (iii) in an "inside corner" of each unit's exterior wall configuration. Cabling and wire traversing over the foam roof surfaces is not permitted.

9. All above-grade cabling and wire must be covered with cabling-raceway that matches the building exterior color.

10. Grounding should be to a 5/8" x 8' (17mm x 2.4 m) copper-clad ground rod. Grounding wire traversing over the foam roof surfaces is not permitted. Grounding to common element metal water pipes is not permitted. *The Association will not be responsible for any damage to telecommunications equipment that has lost ground connection because it was inappropriately connected to a Unit Owner's equipment or a common element metal water pipe.*

11. Failure to comply with these policies would result in compliance remedies, in accordance with the Covenants Compliance Process, that could include substantial charges to your Unit account for remedy expenses, administrative fees, monetary penalties (fines), and/or legal costs.

Adopted by the Bridgewood Townhomes Board of Directors Monday, 30 March 2009.

A handwritten signature in black ink, appearing to read 'Michael L. Brubaker', is written over a light gray rectangular background.

Michael L. Brubaker, President

"Be a light, not a judge. Be a model, not a critic. Be part of the solution, not part of the problem." – Stephen Covey

RULES AND REGULATIONS FOR BRIDGEWOOD TOWNHOMES

The following rules and regulations have been promulgated and adopted by the Board of Directors of the Bridgewood Townhomes, and govern the use of the common facilities and conduct of owners and their guests while on the Bridgewood Townhomes property. Owners are responsible for the conduct of their guests, and non-resident owners for their tenants in accordance with these rules.

The Board of Directors is the governing body for Bridgewood Townhomes. It is elected from property owners in attendance at the annual meeting, to serve for one year. The Board is responsible for insuring the operation of Bridgewood Townhomes in accordance with the conditions, covenants, and restrictions (CC&Rs) to the benefit of the Property Owners Association.

Bridgewood Townhomes is a horizontal property regime and its boundaries include all buildings, common areas and perimeters, as defined in the Articles of Incorporation.

1. Maintenance Fees

- a. All maintenance fees, as assessed by the Association, are due and payable on the first (1st) of each month.
- b. Any maintenance payments received after the fifteenth (15th) of the month will be assessed a fifteen-dollar (\$15.00) late fee.
- c. Accounts delinquent more than thirty (30) days will be turned over to the Association's attorney.

2. Special Assessments

All special assessments levied by the Board of Directors in compliance with the CC&Rs are due and payable on the assigned date. Non-payment will be handled through the Association's attorney.

3. Pets

- a. No pets except dogs and cats shall be kept in individual units or the common areas of Bridgewood Townhomes.
- b. No owner shall keep more than two (2) dogs and/or two (2) cats at their individual unit or within the common areas of Bridgewood Townhomes.
- c. No guests of owners shall be allowed to bring any animals into the Bridgewood Townhomes development for more than 24 hours duration without permission from the Board.

- d. Dogs shall be restrained on a leash at all times while outside on the common areas. After one written warning by the Board for a loose animal, the unit owner will be assessed a \$25.00 fine for each offense.
- e. Pet owners will be responsible for the pick-up and removal of all animal litter. Any expense incurred by the Association for the removal of animal litter will be borne by the responsible unit owner. A fee of ten dollars (\$10.00) will be assessed for the first and fifteen dollars (\$15.00) for each successive time the Association has to clean up after a pet.
- f. Pet owners will control the barking of their pets so as not to disturb other owners and their guests.

4. Parking Lots

- a. Each owner shall be assigned two (2) individual parking spaces and shall park vehicles in such spaces. Any vehicle parked in a space assigned to another may be towed away by the Association at the request of such owner. Towing charges will be paid by the vehicle's owner.
- b. Guests' vehicles shall park in un-numbered spaces.
- c. All boats, trailers and other vehicles in excess of the allotted parking spaces shall not be parked within the common areas, unless such parking is approved by the Board.
- d. No mechanical work, which results in the disabling of a vehicle for more than one day, shall be allowed in the common areas.
- e. All car washing is prohibited within the common areas.
- f. The speed limit throughout the Bridgewood Townhomes development is five (5) miles per hour.

5. Pool

- a. While at the pool, all children under the age of twelve (12) years of age must be accompanied by an adult eighteen (18) years of age or older.
- b. No glass containers or glass of any type is allowed in the pool area.
- c. Use of the pool is for owners and their guests only. If anyone using the pool is not an owner or the guest of an owner, owners shall be responsible for reporting this fact to the Board.
- d. The pool is to be used at the risk of the users. No lifeguards will be provided unless directed by the Board.

- e. Pool hours shall be posted at the pool in accordance with the season as the Board may direct.
- f. After 10:00 p.m. no radios, speakers, or noise-making instruments or devices shall be operated within the pool area or on the condominium grounds so as to be disturbing to other residents.
- g. Residents and their guests shall conduct themselves in an orderly and peaceful manner at all times while using the pool. Excessive drinking and boisterous and rowdy behavior is prohibited. Offending parties may be expelled from the pool and prohibited from pool access in the future.
- h. No pets shall be permitted in the pool area at any time.
- i. Private parties require approval of the Board at least one (1) week in advance. Cleaning up is the responsibility of the person requesting permission. A fifty-dollar (\$50.00) deposit will be required prior to the party and will be returned after satisfactory clean up has been established.

6. Pond

No playing in or around the pond is permitted.

7. Residential Units

- a. The Board must approve any alternations or additions made to the exterior of any unit. This includes, but is not limited to, wiring, antennas, fences, walls, or any fixture visible from the outside.
- b. No clothing clotheslines or other materials shall be hung so that they are visible from the outside of the individual units.
- c. No "for sale" or "for rent" signs shall be posted without the approval of the Board. In no case will the number of "for sale" or "for rent" signs exceed two (2) for any one property.
- d. No large-scale landscape items such as trees or hedges may be placed in common areas without Board approval.

8. Miscellaneous

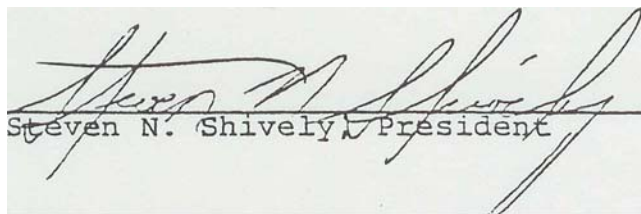
- a. Littering is prohibited.

- b. All trash must be placed in provided receptacles. Any overflow trash that cannot be contained in the receptacle shall be placed in the next nearest receptacle. In no case shall it be stacked at or near the full container.
- c. No shopping carts shall be allowed in the common areas.
- d. Vandalism of individual units and common area facilities shall be reported to the Board or the police by unit owners.

Enforcement of these rules and regulations, and all rules and regulations contained within the By-Laws, and the Declaration and Covenants, Conditions and Restrictions of Bridgewood Townhomes shall be vested in the Board of Directors of the Association, which may take actions as they deem appropriate and reasonable under the circumstances, including but not limited to assessing owners or their guests for any damages or expenses incurred by any infringement of the rules and regulations, prohibiting owners or their guests from the use and enjoyment of the common facilities, fines, loss of voting rights, and punitive actions in conjunction with law enforcement agencies.

Accepted and approved this 25th day of January, 1982.

Board of Directors
Bridgewood Townhomes



Steven N. Shively, President

BRIDGEWOOD TOWNHOMES

COVENANTS COMPLIANCE PROCESS

The purpose for covenants, specifically but not limited to Rules and Regulations, is to establish reasonable policies of conduct and standards which is inuring to our members, residents, and guests, provides for security and safety, promotes and preserves high property values, and fosters a culture that facilitates the ***peaceful enjoyment, possession, and use*** of our property.

Once the enforcement process is initiated it must be diligently pursued on a timely basis and even-handedly administered throughout the community preserving the integrity and credibility of the Association. Consequently, great care should be taken when considering courses of action due to the many aspects of intended and unintended consequences.

Enforcement Practice Standards

- ◆ For the protection of all parties and the Association, prima facie evidence and corroboration are requirements for enforcement actions.
- ◆ The Community Manager shall maintain a case log for compliance issues.
- ◆ Compliance letters must include a copy of the Policy violated or reference the Regulation violated.¹ *(The Board of Directors may authorize specific exceptions on a case-by-case basis.)*
- ◆ Notices shall be mailed regular first class mail to the Unit owner and any non-owner Unit resident.

Case Initiation

The Community Manager has the discretion of addressing initial cases by personal contact or Courtesy Letter. Generally, on behalf of complainants, the Community Manager will issue a Courtesy Letter.

Egregious or dangerous cases, e.g. health and safety issues, unapproved architectural modifications, and broken windows, will be promptly addressed with an appropriate Time Sensitive Letter.

1st Notice: Courtesy Letter

The Community Manager will issue a Courtesy Letter upon verification of violations through the Manager's routine property inspections or from corroborating complainants. *(Exception – The Community Manager has the discretion to issue a Courtesy Letter for noise issues without corroboration.)*

The Community Manager will monitor compliance with a **15-day** follow-up report. If the issue has been resolved or has not reoccurred the case will be closed.

2nd Notice: Time Sensitive Letter

The Community Manager will issue a Time Sensitive Letter upon verification of prima facie evidence and/or corroboration of a case's continued noncompliance or in the cases of egregious or dangerous violations.

Notice narrative components:

*"The above compliance issue must be resolved within **fifteen (15) days** from the date of this notice.*

If you require clarification or have any questions it's important that you contact Bridgewood Townhomes immediately, 480-833-1749.

Failure to take timely corrective action would result in compliance remedies that could include substantial charges to your Unit account for remedy expenses, administrative fees, monetary penalties (fines), and/or legal costs.

Your prompt attention to this matter is required."

Subsequent Notices: Demand Letters

The Board of Directors shall develop and administer reasonable appropriate enforcement solutions and remedies based upon the nature of the compliance issue, the parties involved, and the rules of law and evidence.

The Board of Directors shall, on a case-by-case basis and by affirmative resolution, specifically direct enforcement Demand Letters.

Demand Letters are to be sent by certified and regular first class mail.

Adjudication

The Board of Directors has the responsibility to adjudicate any compliance cases that should properly come before the Board.

The Association must meet two requirements prior to imposing monetary penalties (fines)¹:

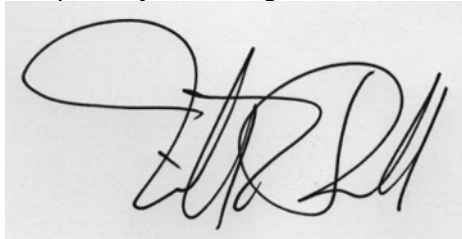
- (1) The offending owner shall be given notice that includes a description of the offense and a description of the manner in which the Association will enforce the monetary penalty (fine).

Required narrative:

"Monetary penalties (fines) are treated as assessments and are collectible in the same manner as provided in the CC&R's and Arizona law, including personal money judgment, lien/foreclosure, and subject to late charges and interest."

- (2) The offending owner shall be given an opportunity to request a hearing before the Board of Directors. And, the Board shall be obligated to provide the requested hearing at the next regularly scheduled Board Meeting.

Adopted by the Bridgewood Townhomes Board of Directors Wednesday, 28 April 2004.

A handwritten signature in black ink, appearing to read 'Michael L. Brubaker', is written over a light gray rectangular background.

Michael L. Brubaker, President

¹ A.R.S. § 33-1242

BRIDGEWOOD TOWNHOMES

COLLECTIONS POLICIES & PROCESS

Day 1: Assessment Due Date

Regular Monthly Assessments are due the 1st of each month.

Statements are to be issued quarterly, at the Association's expense, to all unit owners that have pre-paid balances or delinquent balances of less than \$45.00.

Day 15: Delinquency Date and Late Notice

Late charges of \$15.00 are assessed unit accounts with outstanding balances equal to or greater than \$45.00 as of the 15th calendar day of each month.

Late notice narrative:

"Please review your account. It's important that you contact the Colby accounting department immediately to resolve any discrepancies, 623-977-3860.

If payment is not received or payment arrangements made by the 15th of next month additional late charges and a demand letter collection fee of \$40.00 will be charged to your account.

Your prompt attention to this matter is appreciated."

Payment arrangements require the approval of the Treasurer.

Day 45: Demand Letter

Demand letters are to be sent by certified and regular first class mail.

Day 75: Account Forwarded to Attorney

Intent to lien demand letter; Record lien; File lawsuit.

10 Day Notice of Water Interruption

Upon receiving a court judgment in the Association's favor a notice is to be sent certified and regular first class mail to the delinquent homeowner and affixed to the unit's door advising that water service to the delinquent homeowner's unit will be interrupted (*severely restricted – in compliance with Maricopa County health regulations*). The delinquent homeowner shall bear all costs of this collection action.

Day 180: Interest Charges

Begin interest charges of 2.0% each month on the monthly outstanding balance (*nominal 24.0% per annum compounded*).