



Re: Current Services & Values Gateway Norte Manager Provides its Community.

Date: October 7, 2015

Gateway Norte Builder's Park is a unique community of privately held properties. It is organized and governed by its Declarant's recorded Plat and Covenants, Codes, and Restrictions (CC&Rs). It is operated under a Manager system. This system is set forth in the Gateway Norte CC&Rs which are incorporated by reference in the City of Mesa approved Gateway Norte Plat Map recorded July 10, 2003.

The City of Mesa does **not** maintain streets, landscaping, nor any retention and/or drainage for the Gateway Norte properties nor the Park's common areas. The Community receives its common management of these areas via the Gateway Norte Manager assigned by the Declarant in the Declarant's recorded Gateway Norte CC&Rs.

All Owners, the Manager, and even the Declarant, take their respective titles subject to these public documents of record and thereby agree to be bound by these contractual obligations of the Plat, CC&Rs and the recorded City ordinances specifically for Gateway Norte.

This efficient structure, called a Manager system, is not a Property Owners Association. Instead, the Common Area is owned privately by the Declarant's Manager, NorthGate Management, LLC.

The Manager system is removed from the requirements and obligations as set forth in the Arizona Condominium Act and Planned Community Act. It is not a non-profit and therefore not subject to the non-profit corporation act. Because of the unique nature of community that Gateway Norte is, this Manager system is a very appropriate and efficient arrangement by which to operate the Community.

The Manager system provides the Community the following benefits:

- Low cost management services due to less red tape
- Quick turn-around times of important decisions for upkeep and maintenance of the Park
- Decisions are made by the Manager, not a board.
- There are no required annual Corporation Commission filings.
- There is no board and therefore no elections, politics, or entanglement of neighbors campaigning against one another thereby avoiding unnecessary disharmony and ill-will within the Community.
- It allows the owners and tenants a means to have an organized architectural consistency. Properties are subject to architectural reviews and approvals by the Manager for new projects, remodels and their signage within the Park.

Here is a generalized list of the Manager services for the Gateway Norte Community.

1. The Manager vets and assigns the Community's Management Team.
2. The Manager oversees its Management Team's work and their reports.
3. The Manager and its Management Team provide the vetting, RFP's, maintenance service contracts' evaluations, awarding of maintenance service contracts and the payments thereof for these service contracts.
4. The Manager and its Management Team oversee the enforcement of the Gateway Norte CC&R's including architectural and use requirements. This promotes an organized feel to the Park and a cohesive appearance.
5. The Manager interacts with any legal counsel, engineer, governmental personnel, architect, landscape architect/designer, CPA or any other necessary professionals in management of the Community.

6. The Manager conducts/coordinates the Gateway Norte Architectural Committee reviews and approvals.
7. The Manager conducts signage reviews and approvals.
8. The Manager provides management of all off-site and common area landscape regions and their upkeep.
9. Additionally, the Manager offers on-site landscape maintenance services at very economical prices utilizing landscape maintenance crews that are already in the Park handling the off-site and common areas.
10. The Manager provides and maintains water and electrical lines in off-site and common areas for the care and maintenance of those areas. On behalf of the Community, it pays the monthly bills for these water and electrical services. Additionally it conducts the City's annually required inspections of backflow/anti-syphon valves and provides those reports to the City of Mesa to assure compliance.
11. The Manager owns and operates to the benefit of the majority of the Gateway Norte properties, the underground pipelines from those properties to convey their storm water off-site. This water is carried to the Park's series of interconnected regional basins for retention and discharge. This is a valuable and unique service saving many owners from the expense and liabilities of managing their own on-site retention basins with drywells and/or having to install and maintain underground large volume holding tanks with drywells.
12. The Manager operates to the benefit of the Community the regional basins' bleed off lines that ultimately discharge into the RWCD's underground canal located on the north side of Warner Road. This is a valuable and unique service. It saves many owners from the expense and liabilities of drywells they would normally have to install and maintain on their property otherwise.
13. In accordance with being a member in good standing with its Community, many of the Gateway Norte lots have access to both the NorthGate Management's regional basins and the 36th hour bleed off system via the Manager-operated underground lines. These privileges allow certain lots to ship 100% of their storm water off-site.
14. Without requiring a special assessment from the Park owners, the Manager completed a massive overhaul of water-using landscape in the Park in 2010/2011. It reduced the Park's utility consumption nearly \$26,000 a year. Prior to this landscape project, the Community was running a negative balance. The Manager has since put the Park's reserves into a positive balance by saving the Park over \$120,000 in a 5 year time period.
15. The Manager monitors and will coordinate the resurfacing of parking lots, roadways, and their pavers when necessary.
16. When necessary, the Manager monitors and will coordinate the exterior painting of buildings that share a common party wall between those neighbors.
17. The Manager monitors and will coordinate the painting and upkeep of shared and unshared dumpster enclosures when necessary.
18. The Manager monitors and will coordinate the repair, maintenance, and or updating of hardscape features that are in the Managers Sign Easement (M.S.E). The MSE is shown on the Gateway Norte Plat and further described in the Gateway Norte CC&Rs.
19. The Manager oversees the care and upkeep of Common Area it grants Park owners access to.
20. The Manager oversees certain private areas that serve the Park. This includes the managing and upkeep of extremely crucial retention and drainage basins. These basins are owned by NorthGate Management, LLC. These basins meet the City of Mesa's master grading and drainage plan for Gateway Norte. Without maintenance of these crucial retention and drainage basins, water from storm events would sheet off into roads including Power and Warner roads and create potential for pedestrian or motorist accidents and possible injuries and/or fatalities. Some lots have 100% of their storm water routed through pipes crossing under several properties that dump entirely into the NorthGate Management, LLC - owned tracts that comprise the interconnected retention basins around the Park. These basins also have their 36th hour water carried off by pipeline that takes this

final water into the Roosevelt Water Conservation District underground irrigation system. The Declarant negotiated a license with the RWCD for this access. In a concerted effort the Manager and NorthGate Management grant several lots access to this benefit provided they are in good standing with the Manager & the Gateway Norte CC&Rs.

21. The Manager directs the owner of the regional basins, NorthGate Management, to pay the associated property taxes for these basins. It monitors these payments to insure the basins are available to the owners that are required by the City of Mesa's Master Grading & Drainage Plan to send their storm waters into them. It is understood that the City of Mesa does not require NorthGate Manager to grant access to the basins which are private property. NorthGate Management cooperates with the Manager to provide the Community access. This cooperation becomes a mutual benefit for many lots in the Community. In return NorthGate Management only requires their property taxes be reimbursed by the Community. The Manager recently hired R.L.Cohen and Associates to successfully petition the Maricopa County Assessor to reduce assessed valuation of these basins. The Assessor agreed and reduced the valuation which dropped the property taxes for these basins. 100% of those savings were passed along to the Community. It is this cooperative that works for the common good of the Community.
22. The Manager coordinates the issuing of licenses for the NorthGate Management-owned/maintained signage monuments. The City of Mesa set forth a requirement for uniform and limited square footage of arterial signage. Due to the limited square footage available for everyone in the Park to receive this important identity marketing tool, NorthGate Management in cooperation with the Manager, designed and received City approval for sign monuments that when installed, along with an electronic video board, do not exceed the City of Mesa Comprehensive Sign Ordinance restrictions. Further, NorthGate Management in cooperation with the Manager, provides options for arterial signage access so property owners can advertise their business names on Power or Warner roads provided they are in good standing with their dues, licenses, and their recorded covenants.

These monuments share communication via approximately 4,000 linear feet of underground communication cables that interconnect the monuments and provide them with both internal lighting and multicolor synchronized accent lighting features from dusk to dawn.
23. The Manager maintains the evening up-lighting throughout the Park for certain landscape and signage features.
24. The Manager provides for the maintenance of the Park's entrance monuments, their lighting, landscape and or water feature. These monuments located at the SWC of Gateway Norte and at NEC of Via NorthGate and Power Road.
25. The Manager provides for the collection and depositing of owner's fees, dues, and or Compliance Deposits.
26. The Manager and its Management Team work with title companies to provide a current owner's account balances/ statement in preparation and in cooperation of an owner conveying title to others.
27. The Manager and its Management Team work with title companies to provide information regarding a new owner's fees, dues, and/or Compliance Deposits. Then it provides for the collection of these funds.

It assesses a transfer fee to defray the Community's costs for this work and also for the following work:

- 1) Inducting a new owner and setting up their pertinent information with the Manager's bookkeeping and administration staff, the Gateway Norte Management Team.
- 2) Making available to the new owner an user-friendly binder with the following, but not limited to, information:
 - (a) Emergency contact information for the Manager and/or their management team.
 - (b) The Manager and/or its management team members' contact information.
 - (c) A current set of Gateway Norte recorded CC&Rs and any subsequent amendments.
 - (d) A courtesy copy of the Declarant/Developer's Geotechnical & Recommendation Report

- (e) A courtesy copy of the Declarant/Developer's Phase 1 Environmental Report
- (f) A courtesy copy of the Declarant/Developer's Master Grading & Drainage Plan filed with the City of Mesa.
- (g) A courtesy copy of the recorded easements that have filtered in from time to time by SRP and other governing quasi municipalities and/or City of Mesa. Note – this may not be a complete set of all the easements, it is only what the Manager was made aware of. Title companies will most likely detail all pertinent easements and other items on their Schedule B's (i.e. a more complete listing of matters of record pertaining to a property).
- (h) A courtesy copy of the recorded Gateway Norte Plat for easy reference.
- (i) A courtesy copy of the Lot's diagram that may be helpful for initial site planning.

28. The Manager provides the coordination of a graphics representative and hosting service in maintaining www.gatewaynorte.com

29. The Manager provides access to the Gateway Norte website where tenants and owners may list their business and their company website's home page links. The Manager pays for the website's maintenance and hosting. This website is listed at the base of arterial monuments. It is found in all search engines.

This is a generalized list. It does not list the multitude of details required to carry out these services and to provide these values.

Hopefully this provides at a glance the numerous amenities the Gateway Norte Manager and its Management Team, **Snow Property Services**, provide the Gateway Norte Community.

If you have further questions or concerns please contact Snow Property Services at **480-635-1133** or email **Mary Chaira (mary@snowpropertyservices.com)** Thank you.