



The Mission of the Community Council is to facilitate a connected and welcoming community that instills pride and a sense of belonging in each DC Ranch resident. The Council's work includes visioning and facilitating initiatives that enhance residents' quality of life, serve collective interests and promote the DC Ranch brand. These benefits make DC Ranch a very special place to live.

DC Ranch Community Council Board of Directors BOARD MEETING

March 23, 2023 | 5:30 p.m.

Hybrid Meeting; Attendance welcome at The Homestead Community Center or via [Zoom](#)

(All Council Board and Staff will be in person at The Homestead.)

AGENDA

- | | | |
|-------|---|---------------------|
| I. | Call to Order | Jill Hegardt |
| II. | Establish Quorum | Jill Hegardt |
| III. | Consent Agenda | Jill Hegardt |
| | a. Approval of January 26, 2023 Board Meeting Minutes | |
| | b. Consider Amendment to Community-Wide Standards for Homes | |
| IV. | President's Report | Jill Hegardt |
| | a. Governance Committee | |
| | b. Recognition of Outgoing Directors | |
| V. | Staff Reports | |
| | a. Staff Update | Jenna Kohl |
| | b. Presentation of Annual Report | Elizabeth Dankert |
| | c. Financial Report – Monthly Financials | Dee Nortman |
| VI. | Old Business | |
| | a. Desert Camp Site Improvement Project Update | Jenna Kohl |
| VII. | New Business | |
| | a. Consider Amendment to Financial Management Policy | Dee Nortman |
| | b. Consider Line of Credit per Finance Committee | Dee N./Elizabeth K. |
| VIII. | Consider Appointments to the Community Council Board | Natalie Ingram |
| IX. | Adjourn Meeting | Jill Hegardt |

COMMUNITY VALUES

- | | | |
|--------------------------------------|------------------------------|---|
| ●Sense of Community | ●Diversity and Inclusiveness | ●Family |
| ●Healthy Lifestyles | ●Lifelong Learning | ●Environmental Stewardship |
| ●Artistic and Cultural Opportunities | | ●Relationship with the Larger Community |



DC Ranch Community Council

To: DC Ranch Community Council Board of Directors
From: Jenna Kohl, Executive Director
Date: 3/17/2023
Subject: *March 23 Agenda Items Overview*

Here is a synopsis of the agenda items under consideration at the March 23 Board meeting of the DC Ranch Community Council:

Action Item: Community-Wide Standards for Homes

The Ranch Association and Community Council are in the process of reviewing and updating the community-wide standards. The revisions to the standards for conduct and landscape have been reviewed and approved by both boards; the revisions to the standards for homes are presented to the Council Board for consideration. Both a redline version and a clean version are provided, along with a version that reflects my recommended changes. New sections include security cameras, exterior televisions, dumpsters, and temporary storage/moving containers. Other sections have been updated for clarification, and an effort was made to make all sections consistent as it relates to enforcement and current practice. Once approved by both boards of directors, the updated version of the standards for homes will be recorded, posted online, and added to the transfers and disclosures information for new property owners.

Recommendation: Approve the revisions to the community-wide standards for homes as presented.

Recognition of Outgoing Directors

Jill Hegardt, Claudia Gharai, and Ron Belmont will be completing their current terms on the board. The nominating committee will present the recommended slate of candidates for terms beginning April 1, 2023. A tremendous amount of gratitude is extended to Directors Hegardt, Gharai and Belmont for their service to DC Ranch.

Presentation of Annual Report

The Communications team of the Community Council works with all three entities to produce an annual report each year. Beginning in 2022, this report went fully digital. Elizabeth Dankert, Senior Manager of Communications, will present the 2022 annual report at the board meeting.

Desert Camp Site Improvement Project

Since the January Board meeting, the design team has met to discuss hardware selection, millwork, plumbing fixtures and other design components. The team conducted site visits to select a furniture vendor and view fitness equipment in use at comparable facilities. Pickleball mitigation measures

and best practices have been researched. The project is currently on hold while the design-build team addresses FEMA requirements, as the property falls in the AO floodplain.

Action Item: Amendment to Board's Financial Management Policy

Proposed amendments to the Board's Financial Management Policy, as supported by Treasurer Elizabeth Kepuraitis and the Finance Committee, are presented for the Board's consideration. The changes address: 1) prioritization of how excess benefit fee funds are allocated; 2) language added regarding the annual tax return and 3) clarification that investment reports will be submitted to the Finance Committee for review.

Recommendation: Approve the changes to the Board's Financial Management Policy as presented, effective immediately upon approval.

Action Item: Finance Committee Recommendation: Line of Credit

Dee Nortman, Director of Financial Operations, Treasurer Elizabeth Kepuraitis, and the Finance Committee have been discussing financing tools related to the Desert Camp Site Improvement Project. In the course of those discussions, they determined that it would be valuable to have a line of credit available in case a need for funds should arise in the future. The governing documents provide for this in section 4.21 of the bylaws:

4.21 Borrowing. To the fullest extent allowed by the laws of the State of Arizona, the Board shall have the power to borrow money, contract debts, and issue evidence of indebtedness for any purpose. The Board shall have the power to secure such debts, which shall include, without limitation, the power to pledge collateral, including property and future assessment income.

Ms. Nortman and Ms. Kepuraitis will provide further details at the meeting.

Recommendation: Consider authorizing the Director of Financial Operations to open a line of credit.

Action Item: Consider Appointments to the Community Council Board

Recommendation: Approve the slate of candidates as recommended by the nominating committee, which will include a joint board director appointment with a term effective April 1 and concurrent with the term on the Covenant Commission, and two board directors for terms of April 1, 2023 to March 31, 2026. In addition, establish a special meeting in early April to appoint officers.

Please contact Executive Director Kohl with questions regarding any board agenda items.



Introduction

Standards for Homes are the measures for keeping our community beautiful. The standards provide owners and other residents in all neighborhoods, including sub-associations*, with the benchmark that their property should reflect, enabling residents to enjoy not only the beauty of their property, but of all the neighboring properties as well. It is important for residents to understand the standards and to voluntarily identify and resolve when maintenance of wood, metal, stucco, concrete, etc. is needed.

The goal of standards is simple: to ensure DC Ranch is as beautiful and enticing today as it was ~~the first time you saw it from the beginning~~. Standards address the accepted appearance and maintenance of physical elements already on your property. Either the Modification Committee or Covenant Commission may allow changes to the structure or appearance of ~~your a~~ property ~~as long as if~~ the alterations correspond with DC Ranch Design Guidelines. This includes everything from changes in driveway and patio materials to a new front door or exterior lighting. Once changes are approved and completed, they ~~should~~ shall be maintained to the standards set forth in this document (Standards for Homes). Modification forms are available online at DCRanch.com or at The Ranch Office or by calling 480-513-1500. Modification fees may apply.

Property ~~iesy~~ within DC Ranch will be routinely reviewed by DC Ranch compliance team members for compliance to the standards. In addition, a review will be conducted when a modification is complete, at time of sale, or upon request by an owner. ***Owners can save time, steps, and challenges by requesting a pre-inspection prior to putting their home on the market.*** A property ~~is considered to be~~ out-of-compliance with the standards, when discrepancies can be identified upon observation from the sidewalk, path, common area or adjacent property. Private areas (backyards, enclosed courtyards, etc.) will not be entered during routine reviews, but will be inspected as part of the modification process and at time of sale.

Owners in non-compliance with the standards will receive a courtesy notice, usually by email, and ~~also~~ a phone call when possible. Next, a DC Ranch Community Standards Specialist will work with the resident to provide detailed information about the issue, possible time frame for a remedy, and access to various resources needed to bring their property into compliance. No penalties will be assessed to residents who willingly comply with the standards. Continued non-compliance, however, will cause the Ranch Association to take additional steps possibly including—as a last resort—legal action. Additional information concerning non-compliance procedures can be found at the end of this document and online at DCRanch.com.

Notwithstanding any of the guidelines or suggested penalties contained in this document, penalties may be escalated in certain circumstances, including the deactivation of transponders and loss of other privileges, at the sole discretion of the Community Council Board of Directors or the Ranch Association Board of Directors.

In almost all instance, approval references throughout this document refers to review and approval of improvements through the Ranch Association Modification Committee. Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.

*In neighborhoods managed by a sub-association, compliance with the Standards may also be the responsibility of the sub-association and may be more restrictive. ~~Questions should be directed to the sub-association manager before addressing the violation.~~ Also, the subassociation may have

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. May 9, 2016. Page

standards that are more restrictive (but never less restrictive) than these community-wide standards.



DC Ranch Standards for Homes

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DCRH-00 Address Markers and Numbers

Simple, neighborhood-appropriate, small-scale numbers shall be directly affixed to the house or related site walls for identification purposes (except for custom homes in Country Club and Silverleaf). Address numbers shall be placed in a position that is plainly legible and visible from the street or road ~~fronting the property~~ facing the street and contrast with their background. Numbers shall be replaced with the approved design and color for the home, when faded, cracked, missing or show other disrepair. Please refer to the design guidelines specific to your neighborhood. House numbers are not to be painted on the curb. No family, house names, or other special identification may be displayed. RE: Design Guidelines, Sec. 1, page 73, Scottsdale Fire Ordinance 4045, Sec. 505.1

DCRH-01 Awnings or Shade Structures

Awnings are an architectural detail and when designed as part of the original construction, should not be removed. Awnings and other attached shade features ~~should~~ shall be replaced in the ~~same~~ approved color and material for the property when faded or torn. Awning and shade features may be added to a home, or changed, with prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~
RE: Community Council Board of Directors, Adopted December 2015

DCRH-02 Concrete and Masonry Block

All concrete and masonry-block foundations and walls on the property shall be substantially free of peeling ~~or loose or blistering~~ paint, large cracks, loose or damaged parging, exposed footings or other noticeable defects.
RE: Design Guidelines, Sec. 3, page 27

DCRH-03 Decks and Railings

Decks and railings shall be free of noticeable defects due to weathering and deterioration, such as cracking, structural failure, surface stains and mold. Railings should be securely attached. Paint or stain used on decks and railings shall be from the home's approved color palette* and be free of fading, peeling or other visible blemishes.
RE: Design Guidelines, Sec. 1, page 51

*Palette is used to describe the full selection of colors available within DC Ranch, known as the Master Color Palette. Based on each neighborhood's architectural styles, the master palette was used to determine a specific combination of pre-approved exterior paint and stain colors for doors, walls, decks, ~~railings~~ railings, and facia. For information about the paint and stain colors approved for your home, call The Ranch Offices at 480.513.1500.

DCRH-04 Doors

Doors are the gateways to our homes. House, ~~garage~~ garage, and other doors ~~should~~ shall be properly hung. Paint or stain used on doors shall be from the home's approved color palette or finish. Doors, including trim, hardware, ~~threshold~~ threshold, and associated features, shall be free of noticeable peeling or faded paint, dents, ~~warp~~ warp, and other visible defects. For garage doors, please refer to your neighborhood design

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. May 9, 2016. Page

guidelines. Alternative materials, door designs, garage doors, doors, screens, security doors and ~~or~~ custom colors need prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~

RE: Design Guidelines, Sec. 1, pages 57-59

DCRH-05 Exterior Lighting

Outdoor lighting fixtures and photocells shall be in operable condition, and all parts, such as posts and lamp fixtures, free of damage, ~~oxidation~~oxidation, or other visible defects. Lighting shall be ~~shielded~~shielded, or glass inserts should obscure the view of bulbs so they are not visible. A warm bulb (~~emitting a soft yellow warm~~ light, ~~2700-3200K~~2700K) should be used, although lighting standards may vary by neighborhood. DC Ranch follows a “dark skies” philosophy to minimize light pollution and enhance star gazing. As a result, many areas in the community do not have street lighting, and any exterior lighting cannot cause a nuisance to a neighboring property. In several of our communities, the ~~developer property is~~ wired for each home with exterior lights connected to a ~~photo-cell~~photocell, so that the lights would remain on from dusk until dawn for safety and security. If your home is in one of these neighborhoods, you are **required** to maintain these lights and ~~photo-cell~~photocell for normal operation. All other residents are encouraged to leave two outside front or street-facing house lights on for safety and security. Exterior lighting requirements for Silverleaf vary, and can be accessed by clicking on the neighborhood name: [Arcadia](#), [The Parks](#), [Upper Canyon](#) and [Horseshoe](#). All string lighting and bistro lighting require prior approval from the Modification committee. Flood lights are not permitted. Holiday lighting is separate from this guideline and only applies October 15 to January 15.

Please refer to the Standards for Landscape for all landscape lighting guidelines.

RE: Design Guidelines, Sec. 1, page 67 and Sec. 7, page 16

DCRH-06 Fencing and Gates

Most front yard fences and gates are low by design to encourage neighborhood interaction. Ornamental metal fences may be either painted per the approved home color palette or left as raw metal. ~~Fences~~Fencing and gates shall be maintained in the original condition and be free of oxidation, discoloration, peeling paint, mold, mildew, fungus, rot, ~~warp~~warped, missing panels, and ~~or~~ other visible defects. All gates shall be in good operation condition and close properly. Any modifications to approved gate designs and color, shall require prior approval from the Modification Committee.

RE: Design Guidelines, Sec. 1, page 58, Sec. 2 page 101

DCRH-07 Gutters

Rain gutters shall be securely attached, free of debris and sealed to prevent leakage. Paint ~~should~~shall be in good repair and match the home’s approved color palette. Rain gutters may be painted to match the homes approved body color, approved trim color, or approved accent color. Metal rain gutters may be painted black or bronze. Rain gutters must terminate at the base of the home and shall not extend more than a foot into the landscape. All modifications to the design, material, or color of the gutter require prior approval.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-08 Mailboxes and Posts

Mailboxes and posts located on private property ~~should~~shall be painted to match the home's approved color palette (unless otherwise specified for that neighborhood), must be in good

operable condition -and be free of faded paint, rust, dents, missing ~~parts~~parts, or other visible defects. Mailbox designs, height requirements, dimensions and color vary based on each neighborhood. Any changes to the approved mailbox designs and colors must obtain prior approval.

RE: CC&Rs Exhibit "C" Initial Use Restrictions and Rules Section 3(b) Adopted 07/16/1999

DCRH-09 Mechanical Equipment

HVAC, pool pumps and other mechanical equipment (including, but not limited to, Tesla and solar electrical boxes, utility equipment and modifications exceeding the height of privacy walls shall ~~should~~ be screened from view. Electrical/gas meters, pipng, all wall mounted equipment and other utility boxes shall be painted to match the wall on which it is mounted and ~~water pipes should match the surface color of the attached or nearest building.~~ All equipment shall be maintained in good working condition to minimize noise. Some neighborhoods may require mechanical equipment to be fully enclosed by a wall. Please refer to your neighborhood design guidelines.

RE: Design Guidelines, Sec. 1, page 71

DCRH-10 Metal and Siding

Metal and siding surfaces shall be free of oxidation, rust (unless of a natural rust finish), peeling, ~~and~~ faded paint, ~~dents~~~~dents~~, and other noticeable defects. Metal accents shall be painted black or bronze. Any reflective metal materials shall be painted or covered such that it does not reflect to a neighboring property and shall be covered in earth tones. Reflective home décor is not permitted.

RE: Design Guidelines, Sec. 3, page 26

DCRH-11 Outdoor Furniture

Homes in DC Ranch are designed to enjoy outdoor living. Furnishings should be selected that complement the style, color and materials of the home and be maintained free of debris and decay. Fabric components shall be replaced when aged, faded or torn. All furniture shall remain on homeowners property excluding driveways.

RE: CC&Rs Exhibit "C" Initial Use Restrictions and Rules Section 3(b) Adopted 07/16/1999

DCRH-12 Paint

DC Ranch has pre-approved exterior paint and stain colors that vary by neighborhood based on architectural styles. Body, ~~accent~~~~accent~~, and trim colors should be complimentary and from the pre-approved colors. All exterior painted and coated surfaces shall be substantially free of peeling, blistering, alligatoring, ~~chalking~~, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains or other blemishes and discoloration. All paint-color changes need prior approval through the modification process. [Paint modification forms](#) can be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval. You may also phone The Ranch Offices at 480.513.1500 for further information.

RE: Design Guidelines, Sec. 1, page 69

DCRH-13 Play and Sports Equipment

~~Temporary play equipment may be installed within the private (fully walled) rear yard of a home. Height is limited to eight feet above grade finish. The equipment should be screened from view to the extent possible and in good repair. Play equipment, such as play structures, swingsets, trampolines, skateboard ramps and including sport courts, that are permanently installed requires prior approval through the modification process. The equipment should be screened from view and in good repair. Small child's play equipment such as a playhouse that is below the fenceline does not need prior approval as long as it cannot be seen from neighboring properties or common areas. Exercise equipment that exceeds the height of the wall requires approval.~~

~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~

RE: Community Council Board of Directors, Adopted December 2015

DCRH-14 Pools and Water Features

Pools and water features should be properly maintained and be free of green or stagnant water. Pool and water features shall be free of any

d e f e c t s . Pool equipment and play features should not be seen from neighboring properties. Any pool or water feature addition, design modification or significant change ~~needs~~ requires prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and be submitted to The Ranch Offices for review and approval.~~

RE: Community Council Board of Directors, Adopted December 2015

DCRH-15 Roofs

Roofs shall be free of cracked, missing or otherwise damaged tiles, ~~shingles~~shingles, or other material. Repairs ~~should~~shall be made with materials that match the existing tiles or shingles. Vents and other protrusions through the roof shall be painted to match the color of the roof. Flat roof tops that can be painted, shall be painted to match the approved color palette for the home.

RE: Design Guidelines, Sec. 3, pages 26, 28, 29

DCRH-16 Satellite Dishes and Antennae

Antennae, satellite dishes, cables and equipment shall be painted to blend with the structure to which it is ~~attached, and~~attached and be hidden from view when possible. They may only be mounted on common-area property with prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~

RE: Community Council Board of Directors, Adopted December 2015

DCRH-17 Solar

Solar panels should be screened from view to the extent possible, and be free of visible defects, discoloring and other disrepair. Solar energy devices may be added with prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~ Solar inverter, meter and connection box and other related equipment should be screened from view as much as possible.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-18 Stone and Brick

Stone, brick and other similar elements shall be free of efflorescence and replaced or repaired when cracked, missing, discolored or show other visible defects. Architectural styles and color palettes must be considered for any changes. Any addition or significant change requires prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~

RE: Design Guidelines, Sec. 3, page 27

DCRH-19 Stucco

Stucco is required to be painted and shall be ~~substantially~~ free of peeling, blistering, alligatoring, chalking, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains, discoloration, or other visible blemishes. ~~Stucco Paint~~ should be in good repair and be consistent with the match the home's color palette and texture, and stucco color and texture shall be consistent throughout the property. When stucco is covering block, the block pattern may eventually begin to show through and require re- stuccoing. Any addition or significant change needs prior approval through the modification process. ~~Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.~~

RE: Design Guidelines, Sec. 2, pages 21, 25

DCRH-20 Walkways, Steps, Driveways & Patios

Concrete, stone, brick, paver and other hardscape surfaces shall be level and free of missing, stained or cracked sections and substantially free of ~~pot holes~~potholes, large cracks, grade depressions or other signs of erosion. Surfaces should be maintained in a clean condition and no colored, glossy, or reflective materials applied. Matching material shall be used when replacing damaged areas. Gravel driveways should not track gravel onto the street.

RE: Design Guidelines, Sec. 1, page 53

DCRH-21 Walls, Retaining Walls and Boundary Walls

Retaining walls are designed with weep holes at the bottom, which shall be kept clear of debris to allow water to be released. Walls that are not designed as retaining walls shall not have soil against them (includes raised planters), as it may result in finish or wall failure. All walls shall be in good repair and match the home's approved color palette. Retaining walls shall be waterproofed. All painted walls shall be the approved body color of the home or DC Ranch common wall color. Any paint color transition shall be terminated on an inward 90 degree angle. Shotcrete walls ~~should~~ shall not be painted, only stained. Shared walls between neighboring ~~Common walls between adjacent lots~~ are the responsibility of both ~~neighbors~~ homeowners. Should the shared walls need repair and/or maintenance, homeowners shall be responsible for their half of the wall.

RE: Design Guidelines, Sec. 1, page 61, Sec. 3, page 47. Local ordinance and state statute.

DCRH-22 Windows, Shutters, Screens and Skylights

Windows and related outdoor elements, such as screens, shutters, skylights, window grids and window treatments shall be clean, complete and in good repair. Window grids, window shutter screens, if existing, shall match the architecture of the home. Any addition of change of windows, screens, skylights, or shutters require prior approval.

RE: Design Guidelines, Sec. 1, page 49, page 71

DCRH-23 Wood

Wood shall be maintained free of peeling finishes, ~~splinterings~~splintering, and fading, rot, warp ~~edage~~ and/or damaged must be repaired or replaced when deteriorated and painted or stained to match the home's approved color palette.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-24-Security Cameras

Security cameras must be placed in the least intrusive or visible location on the owner's property, quantity of cameras will be on a case-by-case basis based on home size. DC Ranch shall not be responsible for the invasion of privacy resulting from installation of security equipment, the homeowner shall agree to indemnify the Association against all claims and allegations of other residents related to the installation of the security equipment. The Owner is responsible for complying with controlling laws concerning other neighboring resident's rights to privacy.

DCRH-25-Exterior TVs

All installed exterior televisions shall be installed such that they face away from adjoining properties and the glare from the television(s) do not cause a nuisance to the neighboring properties. Location of the television(s) shall be within a covered patio, ramada or a location that will not cause a disturbance and the use of plants may be necessary to ensure that the television(s) are not visible to adjoining properties. Mounting installation information will be required, and a modification application is required prior to installation of any exterior television(s).

DCRH-26-Dumpsters

Dumpsters are permitted during active construction or move out. Dumpster placement must be on the driveway and owner is responsible to secure/cover the dumpster when not in use to prevent flying debris. Dumpster must be emptied when full and debris cannot overflow the container. Prior approval is required through the Community Standards team to determine timeframe and placement of the dumpster.

DCRH-27-Temporary Storage/Moving Containers

Temporary moving containers and portable storage are permitted for no more than 14 days; ~~prior~~ ~~with~~ approval is required. Placement must be in the driveway and not in the street or on any portion of the landscaping.

Enforcement Guidelines for Violations of Standards for Homes

~~(Step 1 is used in all situations; 2-5 used when owner responds to Courtesy Notice)~~

- ~~1. Courtesy Notice of Non-Compliance
 - a. Letter states the importance of standards for keeping the community beautiful.
 - b. Letter states the infraction (along with photo in most cases).
 - c. Letter requests owner to contact Ranch staff within 10 business days to discuss options and obtain information about possible resources for potential solutions.~~
- ~~2. Owner and staff will develop a mutually agreed upon plan to remedy the infraction within 10-180 calendar days; consideration will be given to cost and complexity in deciding number of days.~~
- ~~3. If the infraction is not remedied within agreed upon time, a final reminder will be issued, including a specified number of calendar days (between 10 and 30) by which the infraction shall be remedied to avoid potential legal action. Information on how to appeal will be included.~~
- ~~4. If the infraction is not remedied within the time specified in the final reminder, the Association's attorney will issue a letter stating the legal consequences (as agreed to by attorney and staff) for continued non-compliance. Information on how to appeal will be included.~~
- ~~5. The Association reserves the right to proceed with legal action or other penalties in the event a reasonable and timely plan for remedy is not reached or important benchmark dates are not met.~~

~~(Steps 6-8 apply when Owner fails to respond to Step 1 Courtesy Notice)~~

- ~~6. If there is no response to the Courtesy Notice of Non-Compliance (action step 1) after 10 business days, a final reminder letter will be issued stating the requirement to remedy the infraction or contact staff to develop a plan. This must be done within 10 business days of this second letter in order to avoid possible legal action. Information on how to appeal will be included.~~
- ~~7. If no response to the final reminder, the Association's attorney will issue a letter repeating the requirement to remedy or to contact staff in order to avoid potential legal action. Information on how to appeal will be included.~~
- ~~8. If no response to attorney's letter, staff will work with the attorney to determine legal action (appropriate for the situation) for failure to remedy the infraction.~~

~~Note: Notwithstanding any of the guidelines or suggested penalties contained in this document, penalties may be escalated in certain circumstances, including the deactivation of transponders and loss of other privileges, at the sole discretion of the Community Council Board of Directors or the Ranch Association Board of Directors.~~

Enforcement Guidelines for Violations of Standards for Homes, Conduct or Landscaping

(Step 1 is used in all situations; 2-5 used when owner responds to Courtesy Notice)

1. Courtesy Notice of Non-Compliance providing Owner 10 business days to respond with the Standards.

a. Letter states the importance of standards for keeping the community beautiful.

b. Letter states the infraction, identifying the name of the person who observed the violation, provision of the community documents that has allegedly been violated and the date the violation was observed (along with time/date stamped photo in most cases).

c. Letter describes the process that must be followed to contest the notice and requests owner to contact Ranch Association Community Standards staff within 10 business days. Owner and Ranch Association Community Standards staff will develop a plan for the Owner to remedy the infraction up to 180 calendar days; consideration will be given to cost and complexity in determining the appropriate number of days.

d. Information on how to appeal will be included.

2. If the infraction is not remedied within the set timeframe, a final reminder will be issued, including a specified number of calendar days (10 and 30 days) by which the infraction shall be remedied to avoid fines, and/or potential legal action. Information on how to appeal will be included.

3. If the infraction is not remedied within the time specified in the final reminder, the Association may assess the first fine and provide an opportunity for the Owner to appeal to the Board of Directors. The Association's attorney issues a letter stating the legal consequences (as agreed to by attorney and staff) for continued non-compliance. Information on how to appeal will be included.

(Steps 4-6 apply when Owner fails to respond to Step 1 Courtesy Notice)

4. If there is no response to the Courtesy Notice of Non-Compliance (action step 1) after 10 business days, a final reminder letter will be issued stating the requirement to remedy the infraction and to contact staff to develop a plan. This must be done within 30 days of this second letter in order to avoid suspension of transponders, and/or possible fine and/or legal action depending on the infraction.

Information on how to appeal will be included.

5. If there is no response to the final reminder, the Board may impose fines that start at \$300 and escalate by a minimum of \$300 for each subsequent incident or as the Board determines appropriate to gain compliance or may get the Association's attorney to issue a letter repeating the requirement to remedy or to contact Association staff in order to avoid potential legal action. Each incident requires a notice, a presentation of evidence, opportunity for an appeal to the Board of Directors, and a written decision. Board of Directors reserves the right to increase fines. Information on how to appeal will be included.

6. If there is no response to the attorney's letter, Ranch Association management will work with the attorney to determine legal action (appropriate for the situation) for failure to remedy the infraction.

Continuing Infraction. A continuing infraction is one that is not cured but continues to exist. The board may impose additional or recurring fines against the owner until such time as the infraction is corrected.

Repeat Infraction. An example of a repeat infraction is where an owner violates the same rule within a period of six months. Repeat infractions are escalating fines that begin at \$300 and escalate by a minimum of \$300 for each subsequent incident or as the Board determines appropriate to gain compliance. Each incident requires a notice, a presentation of evidence, opportunity for an appeal to the Board of Directors, and a written decision. Board of Directors reserves the right to increase fines if the conduct is deemed to be habitual in nature.

Note: Notwithstanding any of the guidelines or suggested penalties contained in this document, penalties may be escalated in certain circumstances, including the deactivation of transponders and loss of other privileges, which can be determined at the sole discretion of the Community Council Board of Directors and the Ranch Association Board of Directors.

The below edits are from Executive Director Kohl



Introduction

Standards for Homes are the measures for keeping our community beautiful. The standards provide owners and other residents in all neighborhoods, including sub-associations*, with the benchmark that their property should reflect, enabling residents to enjoy not only the beauty of their property, but of all the neighboring properties as well. It is important for residents to understand the standards and to voluntarily identify and resolve when maintenance of wood, metal, stucco, concrete, etc. is needed.

The goal of standards is simple: to ensure DC Ranch is as beautiful and enticing today as it was ~~the first time you saw it at the beginning~~. Standards address the accepted appearance and maintenance of physical elements already on your property. Either the Modification Committee or Covenant Commission may allow changes to the structure or appearance of ~~your a~~ property if the alterations correspond with DC Ranch Design Guidelines. This includes everything from changes in driveway and patio materials to a new front door or exterior lighting. Once changes are approved and completed, they shall be maintained to the standards set forth in this document (Standards for Homes). Modification forms are available online at DCRanch.com or at The Ranch Office or by calling 480-513-1500. Modification fees may apply.

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Owners in non-compliance with the standards will receive a courtesy notice, usually by email, and a phone call when possible. Next, a DC Ranch Community Standards Specialist will work with the resident to provide detailed information about the issue, possible time frame for a remedy, and access to various resources needed to bring their property into compliance. No penalties will be assessed to residents who willingly comply with the standards. Continued non-compliance, however, will cause the Ranch Association to take additional steps possibly including—as a last resort—legal action. Additional information concerning non-compliance procedures can be found at the end of this document and online at DCRanch.com.

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*In neighborhoods managed by a sub-association, compliance with the Standards may also be the responsibility of the sub-association. Also, the subassociation may have standards that are more restrictive (but never less restrictive) than these community-wide standards. ~~and may be more~~

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. ~~2-3~~ / 2 0 2 3 Page

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~~restrictive. Questions should be directed to the sub-association manager before addressing the violation.~~

General Remarks

- In many instances, a neighborhood may have an additional set of guidelines; all neighborhood guidelines can be found on DCRanch.com.
- Throughout this document, there are references to approvals. This refers to review and approval through the Ranch Association Modification Committee in almost all instances. Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.

The below edits are from Executive Director Kohl



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- DCRH-01 Awnings or Shade Structures**
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- DCRH-26 Dumpsters**
- DCRH-27 Temporary Storage/Moving Containers**

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DCRH-00 Address Markers and Numbers

Simple, neighborhood-appropriate, small-scale numbers shall be directly affixed to the house or related site walls for identification purposes (except for custom homes in Country Club and Silverleaf). Address numbers shall be placed in a position that is plainly legible and visible from the street or road, facing the street and contrast with their background. Numbers shall be replaced with the approved design and color for the home, when faded, cracked, missing or show other disrepair. Please refer to the design guidelines specific to your neighborhood. House numbers are not to be painted on the curb. No family, house names, or other special identification may be displayed. RE: Design Guidelines, Sec. 1, page 73, Scottsdale Fire Ordinance 4045, Sec. 505.1

DCRH-01 Awnings or Shade Structures

Awnings are an architectural detail and when designed as part of the original construction, should not be removed. Awnings and other attached shade features shall be replaced in the approved color and material for the property when faded or torn. Awning and shade features may be added to a home, or changed, with prior approval through the modification process.

Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval. Suggest referencing at start of document instead of in each section.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-02 Concrete and Masonry Block

All concrete and masonry-block foundations and walls on the property shall be substantially free of peeling or blistering paint, large cracks, loose or damaged parging, exposed footings or other noticeable defects.

RE: Design Guidelines, Sec. 3, page 27

DCRH-03 Decks and Railings

Decks and railings shall be free of noticeable defects due to weathering and deterioration, such as cracking, structural failure, surface stains and mold. Railings should be securely attached. Paint or stain used on decks and railings shall be from the home's approved color palette* and be free of fading, peeling or other visible blemishes.

RE: Design Guidelines, Sec. 1, page 51

*Palette is used to describe the full selection of colors available within DC Ranch, known as the Master Color Palette. Based on each neighborhood's architectural styles, the master palette was used to determine a specific combination of pre-approved exterior paint and stain colors for doors, walls, decks, railings, and facia. For information about the paint and stain colors approved for you home, call The Ranch Offices at 480.513.1500.

DCRH-04 Doors

Doors are the gateways to our homes. House, garage, and other doors shall be properly hung. Paint or stain used on doors shall be from the home's approved color palette or finish. Doors, including trim, hardware, threshold, and associated features, shall be free of noticeable peeling or faded paint, dents, warped, and other visible defects. For garage doors, please refer to your neighborhood design guidelines. -Alternative materials, door designs, garage doors, doors,

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screens, security doors and custom colors need prior approval through the modification process. [Modification forms](#) may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval. Again – repeat comment throughout.

RE: Design Guidelines, Sec. 1, pages 57-59

The below edits are from Executive Director Kohl

DCRH-05 Exterior Lighting

Outdoor lighting fixtures and photocells shall be in operable condition, and all parts, such as posts and lamp fixtures, free of damage, oxidation, or other visible defects. Lighting shall be shielded, or glass inserts should obscure the view of bulbs so they are not visible. A warm bulb emitting a warm light, 2700-3200K should be used, although lighting standards may vary by neighborhood. DC Ranch follows a “dark skies” philosophy to minimize light pollution and enhance star gazing. As a result, many areas in the community do not have street lighting. In several of our communities, the property is wired for each home with exterior lights connected to a photocell, so that the lights would remain on from dusk until dawn for safety and security. If your home is in one of these neighborhoods, you are **required** to maintain these lights and photocell for normal operation. All other residents are encouraged to leave two outside front or street-facing house lights on for safety and security. Exterior lighting requirements for Silverleaf vary, and can be accessed by clicking on the neighborhood name: [Arcadia](#), [The Parks](#), [Upper Canyon](#) and [Horseshoe](#). All string lighting and bistro lighting require prior approval from the Modification committee. Flood lights are not permitted. Holiday lighting is separate from this guideline and only applies October 15 to January 15.

Please refer to the Standards for Landscape for all landscape lighting guidelines.

RE: Design Guidelines, Sec. 1, page 67 and Sec. 7, page 16

Commented [JK1]: Consider adding language about restricting light overflow to owner's property only - light should not shine onto neighbor's property.

DCRH-06 Fencing and Gates

Most front yard fences and gates are low by design to encourage neighborhood interaction. Ornamental metal fences may be either painted per the approved home color palette or left as raw metal. Fencing and gates shall be maintained in the original condition and be free of oxidation, discoloration, peeling paint, mold, mildew, fungus, rot, warped, missing panels, and other visible defects. All gates shall be in good operation condition and close properly. Any modifications to approved gate designs and color, shall require prior approval from the Modification Committee.

RE: Design Guidelines, Sec. 1, page 58, Sec. 2 page 101

DCRH-07 Gutters

Rain gutters shall be securely attached, free of debris and sealed to prevent leakage. Paint shall be in good repair and match the home's approved color palette. Rain gutters may be painted to match the homes approved body color, approved trim color, or approved accent color. Metal rain gutters may be painted black or bronze. Rain gutters must terminate at the base of the home and shall not extend more than a foot into the landscape. All modifications to the design, material, or color of the **rater** gutter require prior approval.

RE: Community Council Board of Directors, Adopted December 2015

Commented [JK2]: Rater?

DCRH-08 Mailboxes and Posts

Mailboxes and posts located on private property shall be painted to match the home's approved color palette (unless otherwise specified for that neighborhood), must be in good operable condition and be free of faded paint, rust, dents, missing parts, or other visible defects. Mailbox designs, height requirements, dimensions and color vary based on each neighborhood.

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. 2-3 / 2 0 2 3 Page

The below edits are from Executive Director Kohl

Any changes to the approved mailbox designs and colors must obtain prior approval.
RE: CC&Rs Exhibit "C" Initial Use Restrictions and Rules Section 3(b) Adopted 07/16/1999

Commented [JK3]: Added language above to clarify what prior approval means/requires.

DCRH-09 Mechanical Equipment

HVAC, pool pumps and other mechanical or electrical equipment (including, but not limited to, electric vehicle charging stations, Tesla and solar electrical boxes, utility equipment and modifications exceeding the height of privacy walls shall be screened from view. Electrical/gas meters, piping, all wall mounted equipment and other utility boxes shall be painted to match the wall on which it is mounted. All equipment shall be maintained in good working condition to minimize noise. Some neighborhoods may require mechanical equipment to be fully enclosed by a wall. Please refer to your neighborhood design guidelines.

RE: Design Guidelines, Sec. 1, page 71

The below edits are from Executive Director Kohl

DCRH-10 Metal and Siding

Metal and siding surfaces shall be free of oxidation, rust (unless of a natural rust finish), peeling, faded paint, dents, and other noticeable defects. Metal accents shall be painted black or bronze. Any reflective metal materials shall be painted or covered such that it does not reflect to a neighboring property and shall be covered in earth tones. Reflective home décor is not permitted.

RE: Design Guidelines, Sec. 3, page 26

DCRH-11 Outdoor Furniture

Homes in DC Ranch are designed to enjoy outdoor living. Furnishings should be selected that complement the style, color and materials of the home and be maintained free of debris and decay. Fabric components shall be replaced when aged, faded or torn. All furniture shall remain on homeowners’ property excluding driveways.

RE: CC&Rs Exhibit “C” Initial Use Restrictions and Rules Section 3(b) Adopted 07/16/1999

DCRH-12 Paint

DC Ranch has pre-approved exterior paint and stain colors that vary by neighborhood based on architectural styles. Body, accent, and trim colors should be complimentary and from the pre-approved colors. All exterior painted and coated surfaces shall be substantially free of peeling, blistering, alligating (see definition at front of this Standard), chalking, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains or other blemishes and discoloration. All paint-color changes need prior approval through the modification process. [Paint modification forms](#) can be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval. You may also phone The Ranch Offices at 480.513.1500 for further information.

RE: Design Guidelines, Sec. 1, page 69

DCRH-13 Play and Sports Equipment

Play equipment, such as play structures, swing sets, trampolines, skateboard ramps and sport courts, requires prior approval through the modification process. The equipment should be screened from view and in good repair. Small child’s play equipment such as a playhouse that is below the fence line does not need prior approval if it cannot be seen from neighboring properties or common areas. Exercise equipment that exceeds the height of the wall requires approval. [Modification forms](#) may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.

RE: Community Council Board of Directors, Adopted December 2015

Commented [JK4]: Formatting is off in certain sections.

DCRH-14 Pools and Water Features

Pools and water features should be properly maintained and be free of green or stagnant water. Pool and water features shall be free of any defects. -Pool equipment and play features should not be seen from neighboring properties. Any pool or water feature addition, design modification or significant change requires prior approval through the modification process. [Modification forms](#) may be downloaded online at DCRanch.com and be submitted to The Ranch Offices for review and approval. (Link to pool backwashing in Conduct)

Commented [JK5]: Repeat comment.

Commented [JK6]: Does this section in conduct refer to no backwashing into wash, onto neighboring property, etc? Address damage to block wall etc. due to water from water feature. Where do we limit location of pools and water features on the property?

The below edits are from Executive Director Kohl

RE: Community Council Board of Directors, Adopted December 2015

The below edits are from Executive Director Kohl

DCRH-15 Roofs

Roofs shall be free of cracked, missing or otherwise damaged tiles, shingles, or other material. Repairs shall be made with materials that match the existing tiles or shingles. Vents and other protrusions through the roof shall be painted to match the color of the roof. Flat roof tops that can be painted, shall be painted to match the approved color palette for the home.

RE: [Design Guidelines, Sec. 3, pages 26, 28, 29](#)

DCRH-16 Satellite Dishes and Antennae

Antennae, satellite dishes, cables and equipment shall be painted to blend with the structure to which it is attached and be hidden from view when possible. They may only be mounted on common-area property with prior approval through the modification process. [Modification forms](#) may be downloaded online at [DCRanch.com](#) and submitted to The Ranch Offices for review and approval.

RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-17 Solar

Solar panels should be screened from view to the extent possible, and be free of visible defects, discoloring and other disrepair. Solar energy devices may be added with prior approval through the modification process. Solar inverter, meter and connection box and other related equipment should be screened from view as much as possible. [Modification forms](#) may be downloaded online at [DCRanch.com](#) and submitted to The Ranch Offices for review and approval.

RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-18 Stone and Brick

Stone, brick and other similar elements shall be free of efflorescence and replaced or repaired when cracked, missing, discolored or show other visible defects. Architectural styles and color palettes must be considered for any changes. Any addition or significant change requires prior approval through the modification process. [Modification forms](#) may be downloaded online at [DCRanch.com](#) and submitted to The Ranch Offices for review and approval.

RE: [Design Guidelines, Sec. 3, page 27](#)

DCRH-19 Stucco

Stucco is required to be painted and shall be free of peeling, blistering, alligatoring, chalking, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains, discoloration, or other visible blemishes. Stucco should be in good repair and be consistent with the home's color palette and texture, and stucco color and texture shall be consistent throughout the property. When stucco is covering block, the block pattern may eventually begin to show through and require re-stuccoing. Any addition or significant change needs prior approval through the modification process. [Modification forms](#) may be downloaded online at [DCRanch.com](#) and submitted to The Ranch Offices for review and approval.

RE: [Design Guidelines, Sec. 2, pages 21, 25](#)

The below edits are from Executive Director Kohl

DCRH-20 Walkways, Steps, Driveways & Patios

Concrete, stone, brick, paver and other hardscape surfaces shall be level and free of missing, stained or cracked sections and substantially free of potholes, large cracks, grade depressions or other signs of erosion. Surfaces should be maintained in a clean condition and no colored, glossy, or reflective materials applied. Matching material shall be used when replacing damaged areas. Gravel driveways should not track gravel onto the street.

RE: Design Guidelines, Sec. 1, page 53

DCRH-21 Walls, Retaining Walls and Boundary Walls

Retaining walls are designed with weep holes at the bottom, which shall be kept clear of debris to allow water to be released. Walls that are not designed as retaining walls shall not have soil against them (includes raised planters), as it may result in finish or wall failure. All walls shall be in good repair and match the home's approved color palette. Retaining walls shall be waterproofed. All painted walls shall be the approved body color of the home or DC Ranch common wall color. Any paint color transition shall be terminated on an inward 90-degree angle. Shotcrete walls shall not be painted, only stained. Shared walls between neighboring are the responsibility of both homeowners. Should the shared walls need repair and/or maintenance, homeowners shall be responsible for their half of the wall.

RE: Design Guidelines, Sec. 1, page 61, Sec. 3, page 47. Local ordinance and state statute.

DCRH-22 Windows, Shutters, Screens and Skylights

Windows and related outdoor elements, such as screens, shutters, skylights, window grids and window treatments shall be clean, complete and in good repair. Window grids, window shutter screens, if existing, shall match the architecture of the home. Any addition of screens, skylights, or shutters require prior approval.

RE: Design Guidelines, Sec. 1, page 49, page 71

Commented [JK7]: Approval required for change of windows?

DCRH-23 Wood

Wood shall be maintained free of peeling finishes, splintering, fading, rot, warped and/or damaged must be repaired or replaced when deteriorated and painted or stained to match the home's approved color palette.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-24-Security Cameras

Security cameras must be placed in the least intrusive or visible location on the owner's property. The quantity of cameras will be considered on a case-by-case basis based on home size. DC Ranch shall not be responsible for the invasion of privacy resulting from installation of security equipment, and the homeowner shall agree to indemnify the Association against all claims and allegations of other residents related to the installation of the security equipment. The Owner is responsible for complying with controlling laws concerning other resident's' right to privacy.

Commented [JK8]: Legal question: need to add language restricting coverage to resident's property only? Can't focus cameras on neighbor's property or street?

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DCRH-25-Exterior TVs

All installed exterior televisions shall be installed such that they face away from adjoining properties and the glare from the television(s) do not cause a nuisance to the neighboring properties. Location of the television(s) shall be within a covered patio, ramada or a location that will not cause a disturbance and the use of plants may be necessary to ensure that the television(s) are not visible to adjoining properties. Mounting installation information will be required, and a modification application is required prior to installation of any exterior television(s).

Commented [JK9]: Add language re: noise/nuisance?

DCRH-26-Dumpsters

Dumpsters are permitted during active construction only. Dumpster placement must be on the driveway and owner is responsible to secure/cover the dumpster when not in use to prevent flying debris. Dumpster must be emptied when full and debris cannot overflow the container. Prior approval is required through the Community Standards team to determine timeframe and placement of the dumpster.

Commented [JK10]: Consider permitting for cleanout when moving, not only for construction.

DCRH-27-Temporary Storage/Moving Containers

Temporary moving containers and portable storage are permitted for no more than 14 days; prior-with ~~prior~~ approval is required. Placement must be in the driveway and not in the street or on any portion of the landscaping.

Enforcement Guidelines for

Violations of Standards for Homes, Conduct or Landscaping

(Step 1 is used in all situations; 2-3 used when owner responds to Courtesy Notice).

Commented [JK11]: Same comments as noted in other standards.

- 1) Courtesy Notice of Non-Compliance providing Owner 10 business days to respond with the Standards.
 - a. Letter states the importance of standards for keeping the community beautiful.
 - b. Letter states the infraction, identifying the name of the person who observed the violation, provision of the community documents that has allegedly been violated and the date the violation was observed (along with time/date stamped photo in most cases).
 - c. Letter describes the process that must be followed to contest the notice and requests owner to contact Ranch Association Community Standards staff within 10 business days. Owner and Ranch Association Community Standards staff will develop a plan for the Owner to remedy the infraction up to 180 calendar days; consideration will be given to cost and complexity in determining the appropriate number of days.
 - d. Information on how to appeal will be included.
- 2) If the infraction is not remedied within the set timeframe, a final reminder will be issued, including a specified number of calendar days (10 and 30 days) by which the infraction shall be

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remedied to avoid fines, and/or potential legal action. Information on how to appeal will be included.

- 3) If the infraction is not remedied within the time specified in the final reminder, the Association may assess the first fine and provide an opportunity for the Owner to appeal to the Board of Directors. The Association's attorney issues a letter stating the legal consequences (as agreed to by attorney and staff) for continued non-compliance. Information on how to appeal will be included.

(Steps 4-6 apply when Owner fails to respond to Step 1 Courtesy Notice)

- 4) If there is no response to the Courtesy Notice of Non-Compliance (action step 1) after 10 business days, a final reminder letter will be issued stating the requirement to remedy the infraction and to contact staff to develop a plan. This must be done within 30 days of this second letter in order to avoid suspension of transponders, and/or possible fine and/or legal action depending on the infraction. Information on how to appeal will be included.
- 5) If there is no response to the final reminder, the Board may impose fines that start and escalate by a minimum of \$300 for each subsequent incident or as the Board determines appropriate to gain compliance or may get the Association's attorney to issue a letter repeating the requirement to remedy or to contact Association staff in order to avoid potential legal action. Each incident requires a notice, a presentation of evidence, opportunity for an appeal to the Board of Directors, and a written decision. Board of Directors reserves the right to increase fines. Information on how to appeal will be included.
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Note: Notwithstanding any of the guidelines or suggested penalties contained in this document, penalties may be escalated in certain circumstances, including the deactivation of transponders, suspension from Community Centers and/or programs and events, and loss of other privileges, which can be determined at the sole discretion of the Community Council Board of Directors and the Ranch Association Board of Directors. Violations on Community Council common area will be determined by Community Council and enforced by Ranch Association.

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. 2-3 / 2 0 2 3

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Phil Geiger, being duly elected President of the DC Ranch Association, Inc. hereby attest that this edition of the Standards for Conduct was approved by the DC Ranch Association Board of Directors on _____.

Commented [JK12]: Is noting in minutes sufficient, or are signatures required? If signatures are required, add Community Council Board President signature block.

By: _____

Should be signed by both Ranch Association and Community Council before recording.



Introduction

Standards for Homes are the measures for keeping our community beautiful. The standards provide owners and other residents in all neighborhoods, including sub-associations*, with the benchmark that their property should reflect, enabling residents to enjoy not only the beauty of their property, but of all the neighboring properties as well. It is important for residents to understand the standards and to voluntarily identify and resolve when maintenance of wood, metal, stucco, concrete, etc. is needed.

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In almost all instance, approval references throughout this document refers to review and approval of improvements through the Ranch Association Modification Committee. Modification forms may be downloaded online at DCRanch.com and submitted to The Ranch Offices for review and approval.

*In neighborhoods managed by a sub-association, compliance with the Standards may also be the responsibility of the sub-association and may be more restrictive. Also, the sub-association may have Standards that are more restrictive (but never less restrictive) than these community-wide standards.



DC Ranch Standards for Homes

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DCRH-00 Address Markers and Numbers

Simple, neighborhood-appropriate, small-scale numbers shall be directly affixed to the house or related site walls for identification purposes (except for custom homes in Country Club and Silverleaf). Address numbers shall be placed in a position that is plainly legible and visible from the street or road facing the street and contrast with their background. Numbers shall be replaced with the approved design and color for the home, when faded, cracked, missing or show other disrepair. Please refer to the design guidelines specific to your neighborhood. House numbers are not to be painted on the curb. No family, house names, or other special identification may be displayed. **RE: Design Guidelines, Sec. 1, page 73, Scottsdale Fire Ordinance 4045, Sec. 505.1**

DCRH-01 Awnings or Shade Structures

Awnings are an architectural detail and when designed as part of the original construction, should not be removed. Awnings and other attached shade features shall be replaced in the approved color and material for the property when faded or torn. Awning and shade features may be added to a home, or changed, with prior approval through the modification process. **RE: Community Council Board of Directors, Adopted December 2015**

DCRH-02 Concrete and Masonry Block

All concrete and masonry-block foundations and walls on the property shall be substantially free of peeling or blistering paint, large cracks, loose, or damaged parging, exposed footings or other noticeable defects.

RE: Design Guidelines, Sec. 3, page 27

DCRH-03 Decks and Railings

Decks and railings shall be free of noticeable defects due to weathering and deterioration, such as cracking, structural failure, surface stains and mold. Railings should be securely attached. Paint or stain used on decks and railings shall be from the home's approved color palette* and be free of fading, peeling or other visible blemishes.

RE: Design Guidelines, Sec. 1, page 51

*Palette is used to describe the full selection of colors available within DC Ranch, known as the Master Color Palette. Based on each neighborhood's architectural styles, the master palette was used to determine a specific combination of pre-approved exterior paint and stain colors for doors, walls, decks, railings, and facia. For information about the paint and stain colors approved for you home, call The Ranch Offices at 480.513.1500.

DCRH-04 Doors

Doors are the gateways to our homes. House, garage, and other doors shall be properly hung. Paint or stain used on doors shall be from the home's approved color palette or finish. Doors, including trim, hardware, threshold, and associated features, shall be free of noticeable peeling or faded paint, dents, warped, and other visible defects. For garage doors, please refer to your neighborhood design guidelines. Alternative materials, door designs, garage doors, doors, screens, security doors and custom colors need prior approval through the modification process.

RE: Design Guidelines, Sec. 1, pages 57-59

Standards for Homes as approved by the Community Council Board of Directors and the Ranch Association Board of Directors. To the extent there is a conflict, the standards and policies set forth herein supersede all previous standards and policies. DATE Page

DCRH-05 Exterior Lighting

Outdoor lighting fixtures and photocells shall be in operable condition, and all parts, such as posts and lamp fixtures, free of damage, oxidation, or other visible defects. Lighting shall be shielded, or glass inserts should obscure the view of bulbs, so they are not visible. A warm bulb emitting a warm light, 2700-3200K should be used, although lighting standards may vary by neighborhood. DC Ranch follows a “dark skies” philosophy to minimize light pollution and enhance star gazing. As a result, many areas in the community do not have street lighting, and any exterior lighting cannot cause a nuisance to a neighboring property. In several of our communities, the property is wired for each home with exterior lights connected to a photocell, so that the lights would remain on from dusk until dawn for safety and security. If your home is in one of these neighborhoods, you are **required** to maintain these lights and photocell for normal operation. All other residents are encouraged to leave two outside front or street-facing house lights on for safety and security. Exterior lighting requirements for Silverleaf vary, and can be accessed by clicking on the neighborhood name: [Arcadia](#), [The Parks](#), [Upper Canyon](#) and [Horseshoe](#). All string lighting and bistro lighting require prior approval from the Modification committee. Flood lights are not permitted. Holiday lighting is separate from this guideline and only applies October 15 to January 15.

Please refer to the Standards for Landscape for all landscape lighting guidelines.

RE: [Design Guidelines, Sec. 1, page 67 and Sec. 7, page 16](#)

DCRH-06 Fencing and Gates

Most front yard fences and gates are low by design to encourage neighborhood interaction. Ornamental metal fences may be either painted per the approved home color palette or left as raw metal. Fencing and gates shall be maintained in the original condition and be free of oxidation, discoloration, peeling paint, mold, mildew, fungus, rot, warped, missing panels, and other visible defects. All gates shall be in good operation condition and close properly. Any modifications to approved gate designs and color, shall require prior approval from the Modification Committee.

RE: [Design Guidelines, Sec. 1, page 58, Sec. 2 page 101](#)

DCRH-07 Gutters

Rain gutters shall be securely attached, free of debris and sealed to prevent leakage. Paint shall be in good repair and match the home’s approved color palette. Rain gutters may be painted to match the homes approved body color, approved trim color, or approved accent color. Metal rain gutters may be painted black or bronze. Rain gutters must terminate at the base of the home and shall not extend more than a foot into the landscape. All modifications to the design, material, or color of the gutter require prior approval.

RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-08 Mailboxes and Posts

Mailboxes and posts located on private property shall be painted to match the home's approved color palette (unless otherwise specified for that neighborhood), must be in good operable condition and be free of faded paint, rust, dents, missing parts, or other visible defects.

Mailbox designs, height requirements, dimensions and color vary based on each neighborhood. Any changes to the approved mailbox designs and colors must obtain prior approval.

RE: CC&Rs Exhibit "C" Initial Use Restrictions and Rules Section 3(b) Adopted 07/16/1999

DCRH-09 Mechanical Equipment

HVAC, pool pumps and other mechanical equipment (including, but not limited to, Tesla and solar electrical boxes, utility equipment and modifications exceeding the height of privacy walls shall be screened from view. Electrical/gas meters, piping, all wall mounted equipment and other utility boxes shall be painted to match the wall on which it is mounted. All equipment shall be maintained in good working condition to minimize noise. Some neighborhoods may require mechanical equipment to be fully enclosed by a wall. Please refer to your neighborhood design guidelines.

RE: Design Guidelines, Sec. 1, page 71

DCRH-10 Metal and Siding

Metal and siding surfaces shall be free of oxidation, rust (unless of a natural rust finish), peeling, faded paint, dents, and other noticeable defects. Metal accents shall be painted black or bronze. Any reflective metal materials shall be painted or covered such that it does not reflect to a neighboring property and shall be covered in earth tones. Reflective home décor is not permitted.

RE: [Design Guidelines, Sec. 3, page 26](#)

DCRH-11 Outdoor Furniture

Homes in DC Ranch are designed to enjoy outdoor living. Furnishings should be selected that complement the style, color and materials of the home and be maintained free of debris and decay. Fabric components shall be replaced when aged, faded or torn. All furniture shall remain on homeowners' property excluding driveways.

RE: [CC&Rs Exhibit "C" Initial Use Restrictions and Rules Section 3\(b\) Adopted 07/16/1999](#)

DCRH-12 Paint

DC Ranch has pre-approved exterior paint and stain colors that vary by neighborhood based on architectural styles. Body, accent, and trim colors should be complimentary and from the pre-approved colors. All exterior painted and coated surfaces shall be substantially free of peeling, blistering, alligatoring chalking, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains or other blemishes and discoloration. All paint-color changes need prior approval through the modification process.

RE: [Design Guidelines, Sec. 1, page 69](#)

DCRH-13 Play and Sports Equipment

Play equipment, such as play structures, swingsets, trampolines, skateboard ramps and sport courts, requires prior approval through the modification process. The equipment should be screened from view and in good repair. Small child's play equipment such as a playhouse that is below the fence line does not need prior approval as long as it cannot be seen from neighboring properties or common areas. Exercise equipment that exceeds the height of the wall requires approval. RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-14 Pools and Water Features

Pools and water features should be properly maintained and be free of green or stagnant water. P o o l a n d w a t e r f e a t u r e s s h a l l b e f r e e o f a n y d e f e c t s . Pool equipment and play features should not be seen from neighboring properties. Any pool or water feature addition, design modification or significant change requires prior approval through the modification process.

RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-15 Roofs

Roofs shall be free of cracked, missing or otherwise damaged tiles, shingles, or other material. Repairs shall be made with materials that match the existing tiles or shingles. Vents and other protrusions through the roof shall be painted to match the color of the roof. Flat roof tops that can be painted, shall be painted to match the approved color palette for the home.

RE: Design Guidelines, Sec. 3, pages 26, 28, 29

DCRH-16 Satellite Dishes and Antennae

Antennae, satellite dishes, cables and equipment shall be painted to blend with the structure to which it is attached and be hidden from view when possible. They may only be mounted on common-area property with prior approval through the modification process.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-17 Solar

Solar panels should be screened from view to the extent possible, and be free of visible defects, discoloring and other disrepair. Solar energy devices may be added with prior approval through the modification process. Solar inverter, meter and connection box and other related equipment should be screened from view as much as possible.

RE: Community Council Board of Directors, Adopted December 2015

DCRH-18 Stone and Brick

Stone, brick and other similar elements shall be free of efflorescence and replaced or repaired when cracked, missing, discolored or show other visible defects. Architectural styles and color palettes must be considered for any changes. Any addition or significant change requires prior approval through the modification process.

RE: Design Guidelines, Sec. 3, page 27

DCRH-19 Stucco

Stucco is required to be painted and shall be free of peeling, blistering, alligating, chalking, fading, spalling, mildew, mold, rust, efflorescence, dirt, stains, discoloration, or other visible blemishes. Stucco should be in good repair and be consistent with the home's color palette and texture, and stucco color and texture shall be consistent throughout the property. When stucco is covering block, the block pattern may eventually begin to show through and require re-stuccoing. Any addition or significant change needs prior approval through the modification process.

RE: Design Guidelines, Sec. 2, pages 21, 25

DCRH-20 Walkways, Steps, Driveways & Patios

Concrete, stone, brick, paver and other hardscape surfaces shall be level and free of missing, stained or cracked sections and substantially free of potholes, large cracks, grade depressions or other signs of erosion. Surfaces should be maintained in a clean condition and no colored, glossy, or reflective materials applied. Matching material shall be used when replacing damaged areas. Gravel driveways should not track gravel onto the street.

RE: [Design Guidelines, Sec. 1, page 53](#)

DCRH-21 Walls, Retaining Walls and Boundary Walls

Retaining walls are designed with weep holes at the bottom, which shall be kept clear of debris to allow water to be released. Walls that are not designed as retaining walls shall not have soil against them (includes raised planters), as it may result in finish or wall failure. All walls shall be in good repair and match the home's approved color palette. Retaining walls shall be waterproofed. All painted walls shall be the approved body color of the home or DC Ranch common wall color. Any paint color transition shall be terminated on an inward 90-degree angle. Shotcrete walls shall not be painted, only stained. Shared walls between neighboring are the responsibility of both homeowners. Should the shared walls need repair and/or maintenance, homeowners shall be responsible for their half of the wall.

RE: [Design Guidelines, Sec. 1, page 61, Sec. 3, page 47. Local ordinance and state statute.](#)

DCRH-22 Windows, Shutters, Screens and Skylights

Windows and related outdoor elements, such as screens, shutters, skylights, window grids and window treatments shall be clean, complete and in good repair. Window grids, window shutter screens, if existing, shall match the architecture of the home. Any addition of change of windows, window detailing, screens, skylights, or shutters require prior approval.

RE: [Design Guidelines, Sec. 1, page 49, page 71](#)

DCRH-23 Wood

Wood shall be maintained free of peeling finishes, splintering, fading, rot, warped and/or damaged must be repaired or replaced when deteriorated and painted or stained to match the home's approved color palette.

RE: [Community Council Board of Directors, Adopted December 2015](#)

DCRH-24-Security Cameras

Security cameras must be placed in the least obtrusive or visible location on the owner's property, quantity of cameras will be on a case-by-case basis based on home size. DC Ranch shall not be responsible for the invasion of privacy resulting from installation of security equipment, the homeowner shall agree to indemnify the Association against all claims and allegations of other residents related to the installation of the security equipment. The Owner is responsible for complying with controlling laws concerning other neighboring resident's rights to privacy.

DCRH-25-Exterior TVs

All installed exterior televisions shall be installed such that they face away from adjoining properties and the glare from the television(s) do not cause a nuisance to the neighboring properties. Location of the television(s) shall be within a covered patio, ramada or a location that will not cause a disturbance and the use of plants may be necessary to ensure that the television(s) are not visible to adjoining properties. Mounting installation information will be required, and a modification application is required prior to installation of any exterior television(s).

DCRH-26-Dumpsters

Dumpsters are permitted during active construction or move out. Dumpster placement must be on the driveway and owner is responsible to secure/cover the dumpster when not in use to prevent flying debris. Dumpster must be emptied when full and debris cannot overflow the container. Prior approval is required through the Community Standards team to determine timeframe and placement of the dumpster.

DCRH-27-Temporary Storage/Moving Containers

Temporary moving containers and portable storage are permitted for no more than 14 days; prior approval is required. Placement must be in the driveway and not in the street or on any portion of the landscaping.

Enforcement Guidelines for Violations of Standards for Homes, Conduct or Landscaping

(Step 1 is used in all situations; 2-5 used when owner responds to Courtesy Notice)

1. Courtesy Notice of Non-Compliance providing Owner 10 business days to respond with the Standards.
 - a. Letter states the importance of standards for keeping the community beautiful.
 - b. Letter states the infraction, identifying the name of the person who observed the violation, provision of the community documents that has allegedly been violated and the date the violation was observed (along with time/date stamped photo in most cases).
 - c. Letter describes the process that must be followed to contest the notice and requests owner to contact Ranch Association Community Standards staff within 10 business days. Owner and Ranch Association Community Standards staff will develop a plan for the Owner to remedy the infraction up to 180 calendar days; consideration will be given to cost and complexity in determining the appropriate number of days.
 - d. Information on how to appeal will be included.

2. If the infraction is not remedied within the set timeframe, a final reminder will be issued, including a specified number of calendar days (10 and 30 days) by which the infraction shall be remedied to avoid fines, and/or potential legal action. Information on how to appeal will be included.

3. If the infraction is not remedied within the time specified in the final reminder, the Association may assess the first fine and provide an opportunity for the Owner to appeal to the Board of Directors. The Association's attorney issues a letter stating the legal consequences (as agreed to by attorney and staff) for continued non-compliance. Information on how to appeal will be included.

(Steps 4-6 apply when Owner fails to respond to Step 1 Courtesy Notice)

4. If there is no response to the Courtesy Notice of Non-Compliance (action step 1) after 10 business days, a final reminder letter will be issued stating the requirement to remedy the infraction and to contact staff to develop a plan. This must be done within 30 days of this second letter to avoid suspension of transponders, and/or possible fine and/or legal action depending on the infraction. Information on how to appeal will be included.

5. If there is no response to the final reminder, the Board may impose fines that start at \$300 and escalate by a minimum of \$300 for each subsequent incident or as the Board determines appropriate to gain compliance or may get the Association's attorney to issue a letter repeating the requirement to remedy or to contact Association staff to avoid potential legal action. Each incident requires a notice, a presentation of evidence, opportunity for an appeal to the Board of Directors, and a written decision. Board of Directors reserves the right to increase fines. Information on how to appeal will be included.

6. If there is no response to the attorney's letter, Ranch Association management will work with the attorney to determine legal action (appropriate for the situation) for failure to remedy the infraction.

Continuing Infraction. A continuing infraction is one that is not cured but continues to exist. The board may impose additional or recurring fines against the owner until such time as the infraction is corrected.

Repeat Infraction. An example of a repeat infraction is where an owner violates the same rule within a period of six months. Repeat infractions are escalating fines that begin at \$300 and escalate by a minimum of \$300 for each subsequent incident or as the Board determines appropriate to gain compliance. Each incident requires a notice, a presentation of evidence, opportunity for an appeal to the Board of Directors, and a written decision. Board of Directors reserves the right to increase fines if the conduct is deemed to be habitual in nature.

Note: Notwithstanding any of the guidelines or suggested penalties contained in this document, penalties may be escalated in certain circumstances, including the deactivation of transponders and loss of other privileges, which can be determined at the sole discretion of the Community Council Board of Directors and the Ranch Association Board of Directors.



Staff Report | March 2023

Finance and Administration

- *Annual Audit for FY 2022.* Audit field work and internal control testing is underway with audit firm Butler Hansen and a new senior auditor on site. Staff and board members were interviewed last week. The Council Finance Committee will meet with the auditor to review the draft report in early May.
- *Anniversaries.* Congratulations to team members that celebrated anniversaries in:
 - February: Jona Davis – 9 years, Clem Sklodowski – 9 years, and Jenna Kohl – 5 years.
 - March: Chris Irish – 9 years, Jules Everson – 4 years, Geraldine Hilbrich – 2 years, Melissa Fuentes – 1 year, and Davina Lunetta - 1 year.
- *Event & Program Coordinator.* Nicole Andreae joined the DC Ranch Community Council on Monday, February 6.
- *Historic Committee.* The Historic Committee visited the archives at the Scottsdale Civic Center library in January, hosted a table at DC Ranch Day where they handed out postcards with historic photos of DC Ranch, and began soliciting historic collateral from DC Ranch residents. Future initiatives include a commemorative issue of Ranch News for December and establishing both digital and physical solutions for storage of materials.
- *DCSIP.* An update on the Desert Camp Site Improvement Project will be provided at the meeting.
- *Board Orientation.* A joint board orientation will be held in mid-April.
- *Values Awards.* Every spring, the Community Council, Ranch Association and Covenant Commission host a Values Awards Ceremony, celebrating employees who exemplify the team values across the previous year. The five team values were developed in 2019 by all three entities. They guide the conduct of the team as they interact with each other, residents and stakeholders. Congratulations to the deserving DC Ranch team members who were honored at the fourth-annual ceremony on Feb. 24 with peer-nominated awards: Teamwork – Jose Cadenas, Irrigation Specialist, Ranch Association; Professionalism – Clem Sklodowski, Accounting Specialist, Community Council; Lynette Whitener, Senior Manager of Events & Programs, Community Council; Passion – Larry Cowles, Director of Exterior Modifications & Improvements, Ranch Association; and Fun - Gina Richard, Administrative Operations Coordinator, Community Council.

Events and Programs

- *DC Ranch Women's Club.* In January, 26 ladies enjoyed a beautiful Happy Hour evening of light bites and libations on the patio of Thompson 105. In February, 11 Women's Club residents came together and enjoyed a morning of fresh air at the Desert Botanical Garden. There, the ladies were guided by a docent who shared knowledge about the flora & fauna of the Botanical Garden and even finished their tour at a rare, crested saguaro. Afterwards, the group enjoyed lunch on the patio of Gertrude's Restaurant.

- *Yappy Hour.* Yappy Hour is a social gathering for residents and their four-legged friends. In January, 32 residents and in February, 29 residents braved the chilly weather to mingle on the north patio at Desert Camp. PUP Pledge materials were also available to residents.
- *Social Hour.* Social Hour continues to be a popular program with residents and, as a result, transitions to a monthly program throughout 2023. Residents enjoy music, light bites and beverages with new and established residents. January hosted 49 residents with 10 on the waitlist and February hosted 50 residents with 17 on the waitlist.
- *DC Ranch Day.* DC Ranch Day kicked off the 25th anniversary year of celebration with 425 residents for this Western-themed community wide event that included live music by Jaty Edwards Band and whip cracking entertainment by Guinness World Record holder Adam “Crack” Winrich. Residents enjoyed a chili bar with all the fixings plus a biscuit bake-off judged by Police Chief Walthers, Assistant Fire Chief Swick and Mayor Ortega. DC Ranch also thanked the City of Scottsdale for their partnership over the last 25 years with special recognition. Residents received anniversary branded bandanas and a DC Ranch branded BBQ spatula. Before the start of the event, community leaders were invited to a founder's toast to thank them for their dedication to development of the community.
- *Friday Night Lights: Tailgating Party.* Seventy-five residents kicked off Super Bowl weekend by tailgating in The Homestead parking lot under the lights and stars. Residents of all ages were treated to dinner, beverages, music and football-themed activities.
- *25th Anniversary: Penny Press.* The custom penny press arrived and made its debut in the Desert Camp lobby on February 1. The first DC Ranch resident, Don Ruff, pressed each of the four designs with a smile. Since then, over 300 DC Ranch pennies have been pressed. Please stop by to press yours.
- *Creative Arts Class: Candle Creations.* In February, 20 residents joined Pinterest guru Brooke Roe to create mindfulness candles. Residents selected scents, gems and botanicals to add to their candles that represented their hopes and dreams.
- *The Homestead Playhouse Spring Production: Frozen Jr.* Over 60 residents and Scottsdale neighbors auditioned for this year’s production during the last week of January. The 35 youth selected to be in the play (ages 8-15) gather twice a week at The Homestead to rehearse. Mark your calendar to attend a show May 4 -7.
- *Lifelong Learning: The Superbowl Experience.* Eighteen residents departed from The Homestead on a bus to attend The Superbowl Experience at The Phoenix Convention Center. Residents were able to see interactive displays, attend past and present NFL player autograph sessions, view historical Super Bowl displays, panel discussions and purchase exclusive Super Bowl merchandise.

Community Engagement

- *DC Ranch Gives.* Twenty-two residents of all ages attended the Gives Group Service Project to Feed My Starving Children in February. Volunteers spent the morning preparing Manna Packs, a tested nutritious meal that is essential for improved health of undernourished children. Transportation and Gives t-shirt were provided.
- *New Resident Welcome.* Neighborhood Voting Members and community volunteers continue to welcome new residents each month with welcome bags. The winter themed bags include new resident welcome information, City of Scottsdale collateral, coffee mug, DCR Blend ground coffee, and a custom scented candle.
- *Round the Ranch Sunset Tour.* Twenty-eight residents enjoyed learning more about the community and getting an exclusive look behind the gates in all four villages at the Sunset

Tour in January. This tour began at Liberty Station with complimentary refreshments, stopped at The DC Ranch Country Club for a brief tour and concluded in Upper Canyon with a sunset toast and a tote bag filled with goodies from local merchants to take home.

- *DC Ranch Ambassadors.* Ambassadors are utilized a few times each month to help promote activities and happenings within DC Ranch. Ambassadors have recently helped by encouraging residents to attend various programs and events.
- *Volunteer of the Year.* Nominations for 2023 Volunteer of the Year awards were submitted by residents and team members. Recipients have been selected and will be honored at the annual Volunteer Appreciation Celebration on April 22.
- *DC Ranch Leadership Academy.* The first Resident Leadership Alumni Social is scheduled for April 18. Graduates and their guests are invited to mingle and catch up with classmates, share how they've become involved, and learn what's new for Class IV.
- *Strategic Plan Initiative, DCR2025.* Over 100 residents participated in seven sessions offered in mid-February. Each session was a professionally facilitated, virtual, short (one-hour) interactive session with other residents. The on-line format allows a great deal of valuable information to be gathered in a short timeframe. In addition to resident sessions, three other groups including stakeholders, the DC Ranch internal team and a joint session with the Ranch Association and Community Council Boards will take part in sessions in April.

Communications

- *Annual Report.* Production of the annual report is underway. The publication is a joint effort between the Community Council, Ranch Association and Covenant Commission. It will be an electronic report for the second year. It will be presented at the March Community Council Board of Directors meeting.
- *Spring Program Guide.* The Spring Program Guide was completed in February. The publication outlines events and programs in March, April and May. A digital version was uploaded to DCRanch.com.
- *Program Snapshots.* The Communications Team completed the design of the Program Snapshots and compiled them into an online flipbook, which was presented to the Board.
- *Coloring Pages.* The graphics team produced four custom coloring pages as an activity for children at DC Ranch Day in January or take home to color later. The pages were designed to appeal to a variety of ages.
- *2022 Resident Survey Executive Summary.* A one-page executive summary was produced to condense the highlights of the resident survey for the board and team members. The summary was shared with the Board.
- *25th Anniversary Logo Rollout.* The Communications Team began using the special 25th anniversary logo in various publications. Email signatures for all team members were also updated to include the new logo.

Facilities

- *Community Centers.* The Desert Camp Community Center front desk had just under 4,400 check-ins combined for January and February. The Homestead Community Center lobby was reopened for residents Monday through Friday from 8:00 a.m. to noon starting in January. There were 8 facility rentals for private use between Desert Camp and The Homestead Community Center. Desert Camp Community Center has seen an increase in card and game drop in use. For January and February, there were 274 drop-ins as compared

to 54 the previous year at this time. Racquet court use continues to show strong participation numbers, with a range of 135 to 224 reservations per court, per month for pickleball and tennis in January and February.

- *Facility Maintenance.* Replacement of the final of four HVAC units at The Homestead was completed in February. In addition, path and trail maintenance and concrete replacement along Chino Dr. in the Silverleaf neighborhood was completed.

Recreation

- *Health & Wellness.* In January, 30 residents enjoyed a delightful-smelling workshop where they learned about the benefits of essential oils and how to use them properly. Participants were also able to make their own essential oil sugar scrub and hand sanitizer products to take home with them.
- *Fitness Classes.* Indoor classes *Strength & Balance*, *Yoga Basics*, and *All Levels Yoga* had 131 registrants for January and February with a total of 89 drop-ins throughout both months. *Aqua Fitness* served 30 residents in January and February.
- *Grapenuts.* In January, residents were joined by ambassadors from the Boisset Wine Collection where they were able to taste test the brand and learn how to become more in tune with their sommelier senses. One presenter also shared stories of their interesting professional history as the Wine & Spirits Director for United Airlines. In February, residents had a *Jeo-Party* with a Jeopardy themed wine trivia night. Those that attended were able to test their wits with categories such as “Vino Vocab, Pairings & Profiles, and Pop Bottles & Culture.”
- *Pickleball.* Pickleball players continue to meet from 8 a.m. to 11 a.m. every Friday and Sunday. Start times will adjust again beginning in April. Due to an increased demand for drop-in play time, the incorporation of an additional drop-in day on Wednesday evenings from 6pm – 8pm began in February.

Public Affairs

- *Mack Company Development.* Mack rescheduled the project open house for March 31 with two sessions, one at 3:00 pm and a second at 5:00 pm. Residents have been encouraged to attend. Chris will be out of town so Jenna Kohl will attend on her behalf to gather information and resident feedback. After the open house, Chris and Jenna will strategize on next steps, which if varied from our submitted strategy, will be discussed with the board.
- *Development of the Northeast Corner of 94th Street and Bell.* After board review, DC Ranch’s comments were submitted to the developer and the city and shared with residents. Our hope is that most will be addressed prior to the Development Review Board hearing.
- *City Bond Dog Park Project at Hayden and Thompson Peak.* City staff requested a meeting with about 20 DC Ranch dog owners to discuss options for surfacing, layout, and the needs of the users. The meeting is April 5, 5:30 pm at Desert Camp. Recent Yappy Hour attendees and two other residents will be personally invited, and all residents will learn about the opportunity through This Week on The Ranch email. Chris Irish will attend to note resident feedback for later use.
- *Pima/Trailside View Intersection.* The much-awaited traffic light is operational!



APRIL 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 Pickleball Clinic: Beginner Pickleball Clinic: Intermediate
2 Pickleball Club	3 All Levels Yoga Strength & Balance	4 Yoga Basics	5 Aqua Fit All Levels Yoga Strength & Balance Pickleball Club	6 Yoga Basics Hand and Foot Canasta Food Truck Night	7 Pickleball Club Aqua Fit	8 Eggstravaganza: Candy Land
9 Pickleball Club	10 All Levels Yoga Strength & Balance	11 Yoga Basics	12 Aqua Fit All Levels Yoga Strength & Balance Pickleball Club Grapenuts	13 Women's Club: Guided Hike Yoga Basics Hand and Foot Canasta	14 Pickleball Club Aqua Fit	15 Pickleball Clinic: Beginner Pickleball Clinic: Intermediate Gives Shred Day
16 Pickleball Club	17 All Levels Yoga Strength & Balance	18 Yoga Basics	19 Aqua Fit All Levels Yoga Strength & Balance Pickleball Club	20 Yoga Basics Hand and Foot Canasta Food Truck Night	21 Pickleball Club Aqua Fit Starlight Concert Series	22 Pickleball Clinic: Beginner Pickleball Clinic: Intermediate
23 Pickleball Club	24 All Levels Yoga Strength & Balance	25 Yoga Basics	26 Aqua Fit All Levels Yoga Strength & Balance Pickleball Club	27 Yoga Basics Hand and Foot Canasta Off the Ranch: French Cuisine	28 Pickleball Club Aqua Fit Social Hour	29 Pickleball Clinic: Beginner Pickleball Clinic: Intermediate
30 Pickleball Club						

EVENTS AND PROGRAMS



Eggstravaganza: Candy Land 🌳

Saturday, April 8 | 9 to 11:30 a.m.
Desert Camp | All ages | [\\$12](#)

Lollipops, gumdrops and fun galore! Join neighbors for a sweet spring celebration complete with a traditional egg hunt, music, entertainment and breakfast buffet.

Tickets required for ages 4+ only. Early registration (\$12); regular registration (\$15), April 3-8. Ticket purchase limit six (6) per household.

Food Truck Nights 🌳

Thursday, April 6 | 5 to 7 p.m.
The Homestead

Batchelor's Pad BBQ and Frosted Frenzy

Thursday, April 20 | 5 to 7 p.m.
Desert Camp

Phat Cheeks Grill & East Coast Joe's

Grapenuts 🌳

Thursday, April 12 | 6 to 8 p.m.
Desert Camp
Ages 21+ | [RSVP](#)

Grapenuts is a wine appreciation club where residents come together monthly to taste and share wines.

Details are subject to change. Visit DCRanch.com/calendar for registration and up-to-date information.

Women's Club: Guided Hike 🌳

Thursday, April 13 | 8 to 11 a.m.
Gateway Trailhead
Ages 18+ | [RSVP](#)

Enjoy a guided group hike on the Gateway Loop Trail located within the McDowell Sonoran Preserve.

Gives Shred Day 🌳

Saturday, April 15 | 9 a.m. to Noon
The Homestead
\$10 donation suggested

Shred sensitive documents at the 7th Annual Shred Day. DC Ranch Gives is partnering with The Matheson Real Estate Team for this opportunity to dispose of old paperwork and raise funds for Family Promise.

Starlight Concert Series 🌳

Friday, April 21 | 6 to 8 p.m.
Market Street Park
All ages | Free

Enjoy a night of live music with rock band Ashley Red under the stars! Residents are encouraged to bring their own lawn seating, snacks and drinks.



Off the Ranch: French Cuisine 🌳

Thursday, April 27 | 6 to 9 p.m.
Classic Cooking Academy
Ages 21+ | [\\$60](#)

Food enthusiasts of all levels are invited to learn the art of French cooking. Residents will make pastry cheese puffs, onion soup, flank steak with shallots and vinegar sauce, rosemary potatoes, green bean bundles and cherry clafoutis. Beverages included.

Social Hour 🌳

Friday, April 28 | 5:30 to 6:30 p.m.
Desert Camp
Ages 21+ | [RSVP](#)

Mix and mingle during a relaxing happy hour. These casual gatherings provide a nice way to end the week and chat with friends or get to know new neighbors.

FITNESS & WELLNESS



Pickleball Clinics 🌳

Saturday, April 1, 15, 22, & 29
Beginner 6:30 to 8 a.m. | Intermediate 8:30 to 10 a.m.
Desert Camp Courts
Ages 16+ | [\\$14](#)

Pickleball Club 🌳

Friday and Sunday
Advanced play 7 to 8 a.m. | All levels 8 to 10 a.m.
Wednesday 6 to 8 p.m.
Desert Camp Courts

All Levels Yoga 🌳

Monday and Wednesday | 9 to 10 a.m.
The Homestead

Strength and Balance 🌳

Monday and Wednesday | 10:30 to 11:30 a.m.
The Homestead

Yoga Basics 🌳

Tuesday and Thursday | 9 to 10 a.m.
The Homestead

Total Body Aqua Fit 🌳

Wednesday and Friday | 9 to 10 a.m.
Desert Camp Pool



Outdoor



Indoor



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending February 28, 2023**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 926,647	\$ 9,934	\$ 38,852	\$ 975,434
Expenses	637,718	41,984	255,454	935,157
Operating Income/(Loss)	\$ 288,929	\$ (32,050)	\$ (216,602)	\$ 40,277
Depreciation	-	-	7,205	7,205
Total Income/(Loss)	\$ 288,929	\$ (32,050)	\$ (223,807)	\$ 33,072
Transfers In/(Out)	(91,286)	91,286	-	-
Total Surplus/(Deficit)	\$ 197,643	\$ 59,236	\$ (223,807)	\$ 33,072

Revenue

Operating revenue for February totaled \$549k, higher than budget by \$93k (21%). Year-to-date revenue is favorable to budget by \$116k (14%). Significant variances to budget include:

- Community Benefit Fees came in \$95k (60%) higher than forecast for February. Benefit Fees YTD reflect a revenue surplus of \$110k (49%).
- Assessments are slightly higher than budget due to the lots that were estimated to be subtracted for the new Ranch Association maintenance facility, which has not been finalized.
- Interest has a \$6k positive variance to budget YTD due to a higher rate on our ICS account (high-yield savings account).

Expense

Operating expenses for February came in \$34k (9%) favorable to budget, with year-to-date expense \$81k (10%) lower than budget. Notable expense variances include:

Administration

- Personnel costs are \$40k lower than estimated in the budget YTD due to a couple of open positions.
- Administration and Travel/Mtgs/ERR are \$13k under budget YTD due to timing of expenses for legal fees, office supplies, IT costs and staff activities.

Programs

- Program expenses are favorable to budget by \$15k YTD due to cost savings for DC Ranch Day and expense timing for a recreation and community engagement programs.

Facilities

- Facilities expense overall is \$17k below budget due to the timing of seasonal décor expenditures, supply purchases and service expenditures.

Reserve

- Reserve expenditures total \$42k so far for the year, under budget YTD due to the timing of projects, but will even out over the course of the year.
- Interest income totals \$10k YTD, which is \$4k higher than estimated due to increasing rates.

Capital

- Capital expenditures for DCSIP were made in the amount of \$80k in February and \$255k YTD.
- Interest income for the capital fund is \$39k through February.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 3.17 months as of 2/28/2023.
- There are \$7.3 mil in capital funds and \$2 mil in reserve funds. Reserves are currently 88.07% funded.

Looking Forward

- Future escrow amounts *in progress* are as follows:

Month	Currently in escrow	Budgeted Benefit Fees
March 2023	\$196,561	\$150,646
April 2023	\$42,700	\$123,732

Community Council is beginning the year in a positive way with a \$194k favorable variance to the operating budget in the first two months. Community Benefit Fees are performing moderately above budget. A transfer to the capital fund may be considered after benefit fee revenue reaches the annual budgeted amount of \$1.5 mil.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending February 28, 2023

	February 2023			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2023 Budget
INCOME							
Residential Assessments	\$ 188,301	\$ 188,301	\$ -	\$ 376,602	\$ 376,602	\$ -	\$ 2,259,612
Commercial Assessments	66,930	65,067	1,863	133,860	130,134	3,726	780,804
Community Benefit Fees	253,134	157,940	95,194	333,246	223,636	109,610	1,500,000
Total Assessment Revenue	508,365	411,308	97,057	843,708	730,372	113,336	4,540,416
Comm Celebrations & Events	(50)	200	(250)	190	200	(10)	70,595
Community Programming	4,396	7,853	(3,457)	9,538	10,966	(1,428)	68,308
Total Program Revenue	4,346	8,053	(3,707)	9,728	11,166	(1,438)	138,903
Community Center Rentals	1,255	3,000	(1,745)	2,895	4,000	(1,105)	13,100
Resident Access	280	500	(220)	720	1,000	(280)	3,400
Total Facilities Revenue	1,535	3,500	(1,965)	3,615	5,000	(1,385)	16,500
Management Fee	31,420	31,420	-	62,840	62,840	-	377,040
Advertising	-	1,080	(1,080)	-	1,440	(1,440)	7,200
Interest	3,222	50	3,172	6,231	100	6,131	665
Other Income	-	-	-	525	-	525	9,076
Total Other Income	34,642	32,550	2,092	69,596	64,380	5,216	393,981
Total Operating Income	548,888	455,411	93,477	926,647	810,918	115,729	5,089,800
EXPENSES							
Reserve Contributions	45,643	45,643	-	91,286	91,286	-	547,716
Capital Contributions	-	-	-	-	-	-	-
Total Reserve Expense	45,643	45,643	-	91,286	91,286	-	547,716
Personnel Expenses	213,295	234,990	(21,695)	432,991	469,980	(36,989)	2,821,802
Administration	15,235	19,556	(4,321)	37,531	46,027	(8,496)	303,228
Travel/Mtgs/ERR	6,023	7,505	(1,482)	7,874	12,295	(4,422)	66,529
Total Administrative Expense	234,553	262,051	(27,498)	478,396	528,302	(49,906)	3,191,559
Community Celebrations & Events	2,919	2,481	438	35,106	37,462	(2,356)	346,282
Community Programming	7,098	12,555	(5,457)	9,259	18,290	(9,031)	144,560
Community Engagement	512	2,875	(2,363)	4,770	9,125	(4,355)	42,100
Communications & Public Affairs	3,932	3,481	451	7,640	6,772	868	61,210
Total Program Expense	14,462	21,392	(6,930)	56,776	71,649	(14,873)	594,152
Ranch Offices	17,112	16,765	347	34,226	33,530	696	204,380
Desert Camp Community Center	21,060	20,991	69	39,003	45,254	(6,251)	260,395
The Homestead Community Center	6,267	5,829	438	10,853	12,221	(1,368)	85,447
MSP/P&T/Seasonal Décor	1,121	1,838	(717)	2,478	12,576	(10,098)	115,060
Total Facilities Expense	45,560	45,423	137	86,560	103,581	(17,021)	665,282
Insurance (non-EE) & Taxes	6,985	6,085	900	13,970	12,170	1,800	73,020
Other Expenses	731	1,468	(737)	2,016	2,760	(744)	18,071
Total General Expense	7,716	7,553	163	15,986	14,930	1,056	91,091
Total Operating Expense	347,935	382,062	(34,127)	729,004	809,748	(80,744)	5,089,800
Operating Income/(Loss)	200,953	73,349	127,604	197,643	1,170	196,473	-
Reserve Net Income	52,482	(7,703)	60,185	59,236	40,940	18,296	304,327
Capital Net Income	(64,937)	(3,761)	(61,176)	(223,807)	(7,522)	(216,285)	(45,132)
Reserve & Capital Net Income/(Loss)	(12,456)	(11,464)	(992)	(164,571)	33,418	(197,989)	259,195
Total Net Income/(Loss)	\$ 188,498	\$ 61,885	\$ 126,613	\$ 33,072	\$ 34,588	\$ (1,516)	\$ 259,195

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET At February 28, 2023

	<u>2/28/2023</u>	<u>12/31/2022</u>	<u>Y/Y Change</u>
ASSETS			
OPERATING FUND			
Cash	\$ 1,345,805	\$ 1,508,330	\$ (162,525)
Petty Cash	500	500	-
TOTAL OPERATING CASH	<u>1,346,305</u>	<u>1,508,830</u>	<u>(162,525)</u>
RESERVE FUND			
Cash	653,894	603,051	50,842
Investments	1,477,000	1,477,000	-
Accrued Interest	1,872	4,751	(2,879)
Discount on Investments	(12,603)	(12,623)	20
TOTAL RESERVE FUND	<u>2,120,163</u>	<u>2,072,180</u>	<u>47,983</u>
CAPITAL FUND			
Cash	885,530	1,135,106	(249,577)
Investments	6,497,000	6,472,000	25,000
Discount on Investments	(97,350)	(105,325)	7,975
TOTAL CAPITAL FUND	<u>7,285,180</u>	<u>7,501,781</u>	<u>(216,602)</u>
Accounts Receivable (Net)	37,514	25,435	12,079
Intercompany Receivable	416,628	154,192	262,436
Prepaid Expenses	130,096	40,979	89,117
OTHER CURRENT ASSETS	<u>584,238</u>	<u>220,605</u>	<u>363,633</u>
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	28,459	28,459	-
Vehicles & Equipment	164,860	164,860	-
Desert Camp Renovation(s)	161,479	161,479	-
Homestead Renovation(s)	110,112	110,112	-
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>464,909</u>	<u>464,909</u>	<u>-</u>
<i>Less Accumulated Depreciation</i>	(320,564)	(313,359)	(7,205)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>144,345</u>	<u>151,551</u>	<u>(7,205)</u>
TOTAL ASSETS	\$ 11,480,231	\$ 11,454,947	\$ 25,284
LIABILITIES			
Accounts Payable	\$ 70,816	\$ 163	\$ 70,653
Intercompany Payable	-	4,586	(4,586)
Accrued Liabilities	170,604	226,774	(56,169)
Deferred Revenue	25,306	8,962	16,344
Prepaid Assessments	33,539	67,630	(34,091)
Other Current Liabilities	(589)	(650)	62
TOTAL CURRENT LIABILITIES	<u>299,677</u>	<u>307,465</u>	<u>(7,788)</u>
TOTAL LIABILITIES	\$ 299,677	\$ 307,465	\$ (7,788)
NET ASSETS			
Reserve Equity	2,148,782	2,148,782	-
Capital Equity	7,536,183	7,536,183	-
Operating Equity	1,462,518	1,462,518	-
Current Year Profit/Loss	33,072	-	33,072
TOTAL NET ASSETS	\$ 11,180,554	\$ 11,147,482	\$ 33,072
TOTAL LIABILITIES & NET ASSETS	\$ 11,480,231	\$ 11,454,947	\$ 25,284

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date February 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (deficit) for period	\$	33,072
Adjustments to reconcile Net Income (deficit)		
Depreciation		7,205
<i>(Increase)/Decrease in:</i>		
Accounts Receivable		(12,079)
Intercompany Receivable		(262,436)
Prepaid Expense		(25,353)
Prepaid Insurance		(63,764)
<i>Increase/(Decrease) in:</i>		
Accounts Payable		70,653
Accrued Payroll Expenses		20,848
Accrued Expenses		(77,018)
Deferred Revenue		16,344
Prepaid Assessments		(34,091)
Intercompany Payable		(4,586)
Other Liabilities		62

NET CASH FROM OPERATING ACTIVITIES **\$ (331,144)**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment -

NET INCREASE (DECREASE) IN CASH **\$ (331,144)**

CASH, BEGINNING OF PERIOD \$ 11,082,792

CASH, END OF PERIOD **\$ 10,751,648**

ADDITIONAL INFORMATION - OPERATING FUNDS REQUIREMENTS:

Per Board policy, operating funds should be between 3-6 months of budgeted annual operating expenses.

Number of months budgeted expenses in cash, end of period: **3.17**

Operating Cash at 2/28/2023 \$ 1,346,305

Total 2023 operating budget expenses \$ 5,089,800

MINIMUM - Average of three months \$ 1,272,450

Amount over
minimum

\$ 73,855

Amount under
minimum

N/A

MAXIMUM - Average of six months \$ 2,544,900

Amount over
maximum

N/A

Amount under
maximum

\$ 1,198,595

INTRODUCTION:

The DC Ranch Community Council is committed to managing the affairs of the Community Council in a fiscally responsible manner. In addition, accounting management must conduct financial record keeping on an accurate and compliant basis.

POLICY MATTERS

I. Finance Committee

The Board has the ultimate financial responsibilities for the Community Council, and receives guidance and advice from the Executive Director, Director of Financial Operations, and Finance Committee as designated in the Board Governance Policy.

II. Fiduciary Responsibility

The Board of Directors has a fiduciary responsibility to monitor the financial affairs of the DC Ranch Community Council in a manner that can be expected by DC Ranch residents, recognizing that assessments fund a portion of the operations of the organization. Directors should provide oversight to ensure accurate records are maintained and expenditures are incurred for the products and services necessary to operate the Community Council's affairs according to laws, Community Council documents and reasonable expectations. Directors should notify the Secretary/Treasurer of any significant concerns about financial reports and financial affairs of the Community Council.

III. Financial Position

The Community Council is responsible to the residents in accordance with the governing documents, and must consistently maintain a solid financial position as follows:

- A. Maintain accounts receivables at less than 30 days, following the approved delinquency process for accounts over 30 days past due.
- B. Maintain accounts payables at less than 60 days or in accordance with vendor terms, whichever is shorter.
- C. ~~Have-Incur~~ no debt unless preapproved by the Board of Directors.
- D. Maintain the Total Operating Funds to be greater than three (3) months' average budgeted expenditures (as measured by the current year's annual operating expense budget divided by twelve) at every month end. If the balance at any month-end is below this threshold, the Executive Director must develop a plan for the Board of Director's review and approval to lower expenditures or increase income to bring the Total Operating Funds up to the minimum level.
- E. Maintain the Total Operating Funds to be less than six (6) months' average budgeted expenditures (as measured by the next year's annual operating expense budget divided by

twelve) at every month-end. If the balance at any month-end is above six (6) month's average budget for expenditures, the Executive Director must develop a plan for the Board of Director's review and approval that either provides for capital improvements, increases operating expenditures or lowers expected income to bring the Total Operating Funds down below the maximum level. The plan may include accruing more funds to pay for a large, identified capital improvement (new building, etc.), prefunding the Capital Replacement Reserve Fund or temporarily holding excess cash if an economic downturn is being forecast. See F, below.

F. Excess cash from the Operating Fund may be transferred to the Capital Fund and/or Reserve Fund, as follows:

1. The Board delegates authority to the Executive Director and Director of Financial Operations to initiate, as and if appropriate, recurring transfers of excess cash contained in the Operating Fund to the Capital Fund and/or Reserve Fund based upon a consistent review and application of an analytical model which determines potential excess cash availability above three months of average budgeted expenses, and, in the opinion of the Director of Financial Operations, is in excess of future anticipated operating needs.
2. The Director of Financial Operations will perform a monthly review of current and future Balance Sheet and Cash Flow projections and analyze available cash. Cash determined to be more than three months of average budgeted expenses will be considered available to be transferred to the Capital Fund and/or Reserve Fund.
3. The Director of Financial Operations and the Executive Director will determine whether to transfer the excess funds to the Reserve Fund, the Capital Fund, or both funds based upon an analysis of the Reserve and Capital Funds and anticipated projects. Factors to be considered include:
 - Percent funded level of Reserve Fund. Per the Reserve General Guidelines, the Financial Management Policy requires a minimum funding level of 80% at all times based on the schedule dictated by the most recent reserve study.
 - Future planned Capital Projects.
4. Any transfer of excess cash will be documented and approved by both the Director of Financial Operations and the Executive Director.
5. The Director of Financial Operations will notify the Executive Director and the Board of transfers made within 60 days of transfer, as well as the balances in the Operating Fund, Capital Fund and Reserve Fund.

G. Maintain a Reserve Fund of a minimum of funding level of 80% at all times, based on the schedule dictated by the most recent reserve study. If at any time the Fund is temporarily below the funding requirement, the Executive Director must provide a plan to the Board of Directors to restore it to the minimum funding level set forth.

H. Community Council Benefit Fee revenue received in any given year shall be allocated in the following priority order:

1. Fund Council operations up to the amount approved in the annual budget; this may include budgeted capital items.
2. Fund unbudgeted capital projects that are urgent and/or safety related.

3. Pay down any existing Council debt.

~~G.~~ 4. Increase the Capital Fund to save for future new amenities or major improvements in the community, which may be defined in the Council's master or strategic plans.

IV. Audit

An independent audit must be conducted each year by a qualified independent CPA firm. The Audit Report will be presented to the Board at the first meeting following the completion of the audit. The Board must approve any change in auditing firm. The Director of Financial Operations must review audit weaknesses and within 30 days of the date of the audit report, prepare a written response for each weakness, and submit that response to the Executive Director and the Secretary/Treasurer for joint review. Then, the response will be shared with the Finance Committee and the Board as appropriate. The Secretary/Treasurer will meet at least once with the Audit Manager during the annual audit.

The Annual Audit Report, with financial statements and footnote disclosures, will be provided to residents no later than 180 days after year-end.

V. Tax Return

The annual informational tax return(s) will be filed prior to the IRS deadline, including Form 990, Form 990-T (if applicable) and Arizona Form 99T. If additional time is needed, extensions will be filed with the IRS in a timely manner. The final return will be reviewed by the Secretary/Treasurer and sent to the Board prior to filing.

~~V.~~ VI. Financial Statements

Monthly financial statements, that include a Summary Income and Expense Statement, Balance Sheet, and Statement of Cash Flow ~~s~~ will be maintained on the same basis as the annual audited statements, subject to entries planned only for quarterly or annual entries. At each regular Board meeting, monthly and cumulative financial statements will be submitted for Board review. The Finance Committee and Secretary/Treasurer will review financial statements to be presented to the Board. The monthly financial statement closing date must be no more than 60 days prior to the date of the Board meeting.

The Summary Income and Expense, Balance Sheet and Cash Flow statements, approved by the Board will be posted on the DC Ranch website. Other monthly financial statements or reports will be posted as considered appropriate by the Executive Director.

The Secretary/Treasurer must review proposed changes in significant accounting methods, procedures, and financial reporting formats.

~~V.~~ VII. Budget

Each November the Board will approve an annual operating and capital budget.

The Executive Director will be responsible for managing financial affairs within reasonable variances

from the budget. Any major variance in expenditures must be reviewed with the Secretary/Treasurer, who will determine when such expenditures should be reviewed by the Finance Committee for their advice and counsel and/or reported to the full Board.

~~VII~~.VIII. Investments

- A. Operating and Reserve funds will generally be maintained in separate accounts. However, if there is a distinct financial advantage to do so, the funds may be co-mingled in an account as long as they are separate in the accounting records and financial statements.
- B. External investment advisors will be utilized if the benefit(s) exceeds the cost, according to the Secretary/Treasurer, ~~is not significant~~. Cash will be maintained in approved financial institutions (see Supplement A) and other investments/securities will be maintained in custodial accounts in the name of DC Ranch Community Council.
- C. The primary objectives of fund management are to maintain relatively safe investments with minimal risk, and as possible, maximize returns within reasonable and prudent levels of risk. The principal balance in the funds will be protected to the extent reasonably possible while interest will be anticipated to be within market rate of returns for investments associated with minimal risk. Liquidity will be maintained, as considered appropriate for the operation of the DC Ranch Community Council. Diversification will be utilized as appropriate to minimize the portfolio losses due to specific types of investments.
- D. Investment management strategy will include instruments such as bank cash, Certificate of Deposit, Money Market Accounts/Funds, short-term investment Bonds/Accounts/Funds, United States Treasury Securities, and U.S. Government Agency Securities. The Board of Directors must approve a specific list of authorized investment instruments in order for them to be covered under this Policy. The initial list will be authorized by the Board of Directors (see Supplement B attached) and the Finance Committee must approve changes to the list. To the extent that there are maturity dates on investments, such maturities will be managed to meet anticipated cash needs.
- E. Risk will be controlled by investment categories:
 1. Operating Cash – working balance
One to two months planned expenditures will be in cash or cash equivalents, in FDIC accounts providing reasonable interest considered appropriate in the current market condition.
 2. Operating Cash – remaining balance
Amounts over 2 months planned expenditures will be in cash, FDIC protected, or other investment instruments approved in Supplement B.
 3. Replacement Reserve Fund Cash – An amount equal to the current annual budgeted expenditures for reserve replacements will be in cash or cash equivalents, in FDIC accounts providing reasonable interest considered appropriate in the current market conditions.
 4. Replacement Reserve Fund – remaining balance of the Fund
Amount will be in cash, FDIC protected, or other investment instruments approved in

Supplement B.

5. Capital Improvement Fund Cash – An amount equal to the current annual budgeted expenditures for capital improvements will be in cash or cash equivalents, in FDIC accounts providing reasonable interest considered appropriate in the current market conditions.
 6. Capital Improvement Fund – remaining balance of the Fund Amount will be in cash, FDIC protected, or other investment instruments approved in Supplement B.
- F. Investments shall be made with care and good judgment based on the circumstances at the time. DC Ranch Community Council management, Secretary/Treasurer, Finance Committee and/or the Board of Directors shall not be held personally liable for any investment activity as long as this Policy and sound financial due diligence are being followed. The Community Council Executive Director has the authority to implement this Policy and direct investments as follows:
1. Deposit and withdraw cash to meet operational needs.
 2. Move cash between cash and cash equivalent accounts as considered appropriate under the Policy.
 3. Move investment cash or cash equivalent to a cash account when investments mature.
 4. Move cash to an investment that is approved by the Secretary/Treasurer and falls under this Policy.
 5. Sell investments and move cash to a cash or cash equivalent account that is approved under this policy.
 6. Select the institution(s) and investment instrument(s), as approved under this Policy.
- G. Other investment policy matters:
1. Cash will be held in institutions approved by the Finance Committee (see Supplement A attached) and limited to the FDIC protected amount in each institution.
 2. Investment management assistance and qualified investment broker/dealers must be approved by the Finance Committee (see Supplement A attached).
 3. When FDIC, Federal Deposit Insurance Corporation, is noted, it includes government protection under FDIC's Transaction Account Guarantee Program.
 4. Borrowing is prohibited for investment purposes.
 5. The maximum maturity period for short-term investments is 7 years.
 6. Corporate Bonds must be Investment Grade (BBB rated or better).
- H. At least once each quarter, for the quarter just ended, the details of investments, along with investment activity and returns for the past quarter, will be provided to the ~~Board of Directors~~Finance Committee.

SUPPLEMENT A

AUTHORIZED INVESTMENT INSTITUTIONS

1. MidFirst Bank
2. Community Association Banc, Division of Mutual of Omaha
3. Alliance Bank
4. Bank of Arizona
5. BOK Financial/BOK Financial Securities, Inc.

AUTHORIZED INVESTMENT ADVISORS/BROKERS/DEALERS

1. MidFirst Bank
2. Bank of Arizona
3. BOK Financial/BOK Financial Securities, Inc.

SUPPLEMENT B

AUTHORIZED INVESTMENT INSTRUMENTS

1. Cash
2. Certificates of Deposit
3. Money Market Accounts/Funds
4. United States Treasury Securities/Funds
5. U.S. Government Agency Securities/Funds
6. Corporate Investment Grade Bonds
7. Mutual Funds (Morningstar rating of 3 or higher) investing in items 1-6 above