



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 28, 2024 | 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 | Ethan Knowlden |
| II. | Establish Quorum | Ethan Knowlden |
| III. | Consent Agenda | Ethan Knowlden |
| | a. Approval of January 25, 2024 Board Meeting Minutes | |
| IV. | President's Report | Ethan Knowlden |
| | a. Recognition of Outgoing Directors | |
| | b. Consider Appointments to the Community Council Board | |
| V. | Staff Reports | |
| | a. Recognition of Values Award Recipients | Jona Davis |
| | b. Staff Update | Jona Davis |
| | c. Presentation of Annual Report | Elizabeth Dankert |
| | d. Financial Report – Monthly Financials | Dee Nortman |
| VI. | Old Business | |
| | a. Desert Camp Site Improvement Project Funding Request | Jenna Kohl |
| | b. Consider Dispute Resolution Policy | Jenna Kohl |
| VII. | New Business | |
| | a. Consider Bylaws Amendment for Good Standing | Jenna Kohl |
| | b. Consider Lease Agreement for Office Space | Jenna Kohl |
| VIII. | Adjourn Meeting | Ethan Knowlden |

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: 3/19/2024

Subject: *March 28 Board Meeting Agenda Item Summary*

Here is a synopsis of the discussion items for the Board's March 28 Board Meeting.

Consider Appointments to the Community Council Board

Ten applications were received for the two open board director positions. The nominating committee interviewed all ten applicants, and recommend Kris James and Heidi Rosner be appointed. Their application forms are included in the board packet for reference. Both candidates plan to attend the March 28 Board meeting in person.

Recommendation: Appoint Heidi Rosner and Kris James to three-year terms as Community Council Board Directors starting April 1, 2024.

DCSIP: Update and Funding Request

The project is on budget and on schedule, with a targeted completion date in late 2024. Staff will provide an update on construction progress at the meeting.

The construction of two additional tennis courts was bid as an alternate item. Per board direction, the courts will not be constructed in this phase of the master plan, and instead will be reevaluated in the future. This decision was based on several factors including funding availability. The current tennis courts will receive a major refresh this year with improvements to include resurfacing, new windscreens, and lighting. These repair and replacement projects will be funded through the Reserve; they will raise the quality of the courts to ensure they are on par with the rest of the newly refreshed site.

In May 2022, the Board authorized the executive director to spend up to \$25,000 of capital funds for initial project-related costs outside of the design-build scope. Those funds have been exhausted; they were used for contract review, other legal review, Covenant Commission design review expense, and bank loan costs. Staff requests that the board authorize the executive director to spend up to \$25,000 for any additional project-related expenses not already approved. These funds would only be used if needed for unanticipated expenses.

As part of the Board-approved capital funding for the project, there is an owner's contingency of \$403,940 that can be used for enhancements that were not originally

contemplated in the project scope. The goal is to only use these dollars if absolutely necessary. Approximately \$77,000 of this amount was authorized for the Acoustifence at the pickleball courts as required by the City of Scottsdale. Staff has narrowed down scope and design in the areas of furniture, signage, and art to get closer to the estimates, including reducing the furniture fabrics, minimizing the size of the mountain piece on the entrance, and using photography in areas instead of art. While significant reductions have been made, there is still a need for supplemental funding for furniture (\$13,530) and signage/art (\$50,000). Staff proposes to use funding from owner's contingency for these expenses, which are contemplated in the overall project cost.

Recommendation: That the Board authorize the Executive Director to use \$63,530 from Owner's Contingency for the furnishings, art, and signage and not to exceed \$25,000 from general capital funds for ancillary costs including legal fees.

Consider Dispute Resolution Policy

An amendment to the CCRs section on Dispute Resolution is proposed. The need to update the dispute resolution language was driven by the recent ICON matter and the desire for more clarity on the process. Both a redline and clean version of the proposed amendment is attached for reference.

The DCRCC CCRs may be amended under § 15.6(b). The amendment must be approved by a majority of the Board. Upon affirmative vote by the Board, the Community Council must notify each Ranch Association and commercial owner of its intention to amend the CCRs within 30 days of the vote. The Community Council must hold a meeting if the Council receives a petition from two or more Ranch Associations and at least 50% of all commercial owners subject to assessment. The amendment will not be effective if, at the meeting, at least 2/3 vote of the total number of Ranch Associations disapprove and more than 50% of all commercial owners subject to assessment disapprove.

Upon board approval, staff will notice Ranch Association and the Commercial property owners as required. After the required timeframe elapses, pending no questions, the changes will go into effect. Staff will re-record the document and update the document online and in other locations as necessary.

Recommendation: That the Board adopt the amendment to Article XI, Dispute Resolution and Limitation on Litigation of the DC Ranch Community Council Amended and Restated Declaration of Covenants and Easements.

Consider Bylaws Amendment for Good Standing

Earlier this year, the Ranch Association conducted a community vote (via NVMs) to amend their governing documents to further define good standing for board directors. The Community Council Board expressed a desire to amend the Council's governing documents to incorporate similar language. This change to the bylaws is completed via an amendment to add the following language:

“Throughout their term of office as Director, each Owner Director shall be in Good Standing. In the event an Owner Director is not in Good Standing, the Corporation

will give the Owner Director written notice stating their failure to remain in Good Standing and provide the Owner Director 60 days to remedy such failure. If the Owner Director fails to be in Good Standing 60 days following the written notice, the Owner Director may be removed as a Director of the Corporation pursuant to Section 4.4 herein. “Good Standing” shall be defined as having no financial obligation past due over 90 days owed to the Corporation, no unresolved covenant violations of the Community Standards and not a party to litigation with claims alleged against the Corporation.”

Recommendation: That the Board approve the Corporate Resolution and Second Amendment to Amended and Restated Bylaws of DC Ranch Community Council as presented.

Consideration Lease Agreement for Office Space

The current lease for the Ranch Offices on Market Street expires in September 2019. Please see the attachment for details.

Recommendation: That the Board approve the office space proposal for securing space at Canyon Village as presented and authorize the Executive Director to finalize the lease agreement.



Staff Report

March 2024

Finance and Administration

- *Annual Audit for FY 2023.* Audit field work and internal control testing is underway with audit firm Butler Hansen. The Council Finance Committee will meet with the auditor to review the draft report in early May.
- *Operating Line of Credit.* The Council operating line of credit will renew in April 2024.
- *Congratulations Team Value Awards recipients.* Every spring, the DC Ranch Community Council, Ranch Association and Covenant Commission host a Values Awards Ceremony, celebrating employees who exemplify the team values across the previous year. The 2023 Team Values Awards recipients in each category are:
 - Teamwork: Rafael Lopez | Custodian
 - Professionalism: Deborah Lanza | Front Desk Receptionist
 - Innovation: Jeff Shaw | IT Manager
 - Passion: Scott Dennerline | Senior Landscape Review Specialist
 - Fun: Aaron Largo | Community Standards Manager
- *Personnel.* We bid a fond farewell to Front Desk Receptionist Gerrie Mueller (5 yrs.) and Rental and Event Specialist, Arianna Zambito (1 yr.). Recruitment was immediately opened, and the team welcomed Front Desk Receptionist Kathy Brooks.
- *Anniversaries.* Congratulations to team members that celebrated anniversaries in:
 - January: Rafael Lopez – 18 years, Elizabeth Dankert – 12 years, Scott Dennerline – 20 years, Jeff Shaw – 1 year, Kristin Coons – 8 years, and Lindsay Vanegas – 8 years.
 - February: Jenna Kohl – 6 years, Jona Davis – 10 years and Nicole Andreae – 1 year.

Events, Programs and Recreation

- *DC Ranch Day.* Almost 400 residents of all ages attended the western-themed community-wide celebration in January. Highlights included live music, custom stick-pony craft and parade, brisket buffet with all the sides, western photobooth, casino games, and a petting zoo. Residents received their annual custom DC Ranch bandana.
- *Social Hour.* Social Hour promotes an intimate environment where residents can connect with neighbors while enjoying a beverage and light bites. January hosted 47 residents (with a waitlist of 12); February hosted 50 residents (with a waitlist of eight) and residents enjoyed sitting on the veranda under the new Portofino lights.
- *Yappy Hour.* Twenty-six residents and their furry friends attended a February Yappy Hour on The Homestead lawn. Residents were treated to snacks and beverages while pets were spoiled with Valentine's themed dog cookies, pet treats, and a build-your-own pup cup bar.

- *DC Ranch Women's Club.* Line Dancing kicked off the new year in January with 27 ladies of all skill levels learning two country line dances. In February, 15 ladies tested their hand at the art of shaping clay in a Pottery Making Class at The Homestead guided by instructors.
- *The Homestead Playhouse.* The 2024 production marks the 35th Playhouse production since its inception in DC Ranch. In January over 70 young people ages 7-18 auditioned for *Beauty and the Beast Jr.* and 35 were chosen to participate in the play. Rehearsals occur multiple times a week through April. The show runs May 2-5.
- *Lifelong Learning.* In February, eight residents took a bus from The Homestead to The Japanese Friendship Garden for an exclusive docent-led tea tour. The program included a tour of the Tea House "Musuan," showcasing Japanese seasonal art displays and providing historical insights. Residents also gained an introduction to modern Japanese tea culture before they indulged in a Japanese casual tea tasting in the Tea House.
- *Card and Game Clubs.* In January and February, the Hand and Foot Canasta Club continued to meet weekly while Mah Jongg Club met monthly with a total of 91 residents participating.
- *Fitness Classes.* All Levels Yoga, Strength & Balance, Yoga Basics, and Zumba had 187 registrants plus 170 drop-ins for January and February.
- *Grapenuts Wine Club.* In January, a representative from Wines for Humanity sampled exclusive wines sourced from award winning vineyards around the world with 19 residents. In February, a presenter from Atlas Wine Shop took 21 residents on a guided tasting as they sampled wines from the vineyards of Piedmont. Grapenuts is currently seeking a resident to lead the club.
- *Food Truck.* Despite a setback in January due to inclement weather forcing cancellation, February welcomed 63 hungry residents. Residents indulged in bites from Moore of That food truck while being serenaded by classic tunes from The Griffins acoustic duo on the veranda.
- *Health & Wellness.* In January, 16 residents practiced mindful awareness in a Movement, Meditation & Sound class. During this program, each participant was given the opportunity to use the power of breath, sound, and movement to increase powerful feelings of peace, stillness, and equanimity.
- *Mountain Biking Club.* The inception of the DC Ranch Mountain Biking Club began as a resident-led initiative aiming to unite cyclists within the DC Ranch community for seasonal monthly rides. These rides typically cover scenic trails spanning an average of 15 miles, catering to intermediate to advanced riders. Although eight individuals signed up to join the inaugural ride in January, it regrettably had to be canceled due to trail conditions.
- *Path and Trail.* Ranch Walks were introduced as a means for residents to step outside and explore the natural beauty of DC Ranch with neighbors along the Path & Trail system. Forty-three total residents participated in the Reata Wash and Thompson Peak Loop in January and Desert Parks Village Loop in February.
- *RanchCache.* Offering a unique twist on traditional treasure hunting, this program invites adventurers of all ages to connect with nature while uncovering geological features and rich history throughout DC Ranch. Almost 50 packets were handed out to residents throughout January and February at The Homestead. Packets were also included in new resident welcome bags and given to Ranch Walk participants.
- *Youth and Teen.* Early Release Fun Day welcomed 33 youth ages 6+ to The Homestead for a day of play in February alongside neighbors and friends. Youth engaged in various backyard games including basketball, cornhole, badminton, marveled at the creation of giant bubbles,

and explored their creative side through a craft activity. Early Release Fun Days were developed from 2022 resident survey feedback.

- *Pickleball Club.* In December, modifications were made to one of the two tennis courts to accommodate pickleball play. This allowed the Pickleball Club to be reestablished in January. Throughout January and February, 92 residents reconvened on Sunday mornings to engage in play.

Community Engagement

- *DC Ranch Gives.* In observance of National Blood Donor Month, DC Ranch Gives partnered with the American Red Cross to organize a Blood Drive at The Homestead. Surpassing the initial goal of 27 donors, 47 residents generously donated critically needed blood. In February, ten volunteers packed food boxes and organized essential items for Hope Women's Center. Resident Edith Smith shared, "Darrin and I loved volunteering with the DC Ranch community group today! Hope Women's Center is a wonderful organization." Be sure to look for Edith Smith's volunteer spotlight in the upcoming Gives Newsletter in March.
- *New Resident Welcome.* Neighborhood Voting Members and community volunteers continue to welcome new residents each month with welcome bags. The reusable grocery totes include new resident welcome information, City of Scottsdale collateral, new resident free fitness pass, two coffee mugs, and a pound of DCR Blend ground coffee. January's Sunset Tour began at Liberty Station before traveling around the community, highlighting all four Villages to new residents. The tour concluded in Upper Canyon with a sunset toast and totes filled with goodies from the local merchants.
- *Resident Leadership Academy.* Resident members of Class IV have attended half of the program sessions. Class sessions thus far have included community history, governance structure, communications, and financial operations.
- *DC Ranch Ambassadors.* Ambassadors are utilized a few times each month to help promote activities and happenings within DC Ranch. Ambassadors have recently encouraged residents to learn more about the new Mountain Biking Club and sign up for the Gives Blood Drive.
- *Merchant Relationships.* The Business Connection e-newsletter was sent to 279 businesses, stakeholders, and community partners. This bi-yearly newsletter featured a spring preview of opportunities to get involved within DC Ranch, sponsorships, and partnerships available, highlighted new businesses, and included links to community resources. Property managers, club managers, and key stakeholders are invited quarterly to Coffee & Commerce. The meeting in February was cancelled due to low RSVP and will meet in May. This meeting's purpose is to ensure a long-term and successful partnership by sharing information about DC Ranch.

Communications

- *Spring Program Guide.* The Spring Program Guide was mailed to residents in February. The publication outlines events and programs in March, April, and May. A digital version is also available on DCRanch.com.
- *Annual Report.* Design of the 2023 Annual Report began in February. The publication is a joint effort between the Community Council, Ranch Association and Covenant Commission.

The report will be presented in March at the Community Council Board of Directors meeting and in April at the Ranch Association Board of Directors meeting.

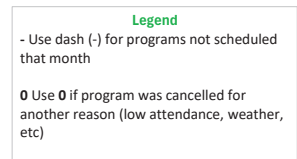
- *DCSIP Communication.* The Communications Team continues to send email updates regarding the project and keep DCRanch.com/DCSIP and other resources up to date. Since construction began, the team has shared a new update each week in the This Week on the Ranch email sent to residents each Monday. Project photos and a “behind the screens” drone footage video have been featured.
- *Communications about break-ins, town halls and related topics.* In January and February, the Communications Team sent 12 Ranch-wide emails, two text messages and included five write-ups in This Week on the Ranch emails regarding break-ins, town halls and recordings, Scottsdale PD priorities and additional measures, Ranch Association board message, modification process update, and additional measures by Anderson Security. The team also kept the Community Patrol & Gate Access page and Home & Landscape Changes pages on DCRanch.com updated.
- *Historic Committee:* The committee began recording interviews with original residents for the oral history project.

Facilities

- *Community Center.* The Homestead Community Center continues to serve as the hub for residents during the Desert Camp Site Improvement Project (DCSIP). The lobby, veranda and Frontier Room 3 were busy with 453 resident check-ins. Club and drop in use continues to increase with 232 participants in January and February. Residents are enjoying the use of the Desert Camp outdoor amenities with 284 tennis court (one court) and 377 pickleball court (two courts) reservations during January and February.
- *Facility Rentals.* After a brief pause in facility rentals, The Homestead Community Center calendar was reopened with limited availability. Four facility rentals took place in January and February. Requests for facility rentals are strong for the second quarter of 2024 and staff will continue to work with residents to provide rental space when available.
- *Facility Maintenance and Custodial.* The Maintenance and Custodial team continue to use the DCSIP closure to focus time on deep cleaning and repairs at The Homestead and Gate Houses. The Homestead splash pad tank, filter and jets were prepped for the March 1 start date. Staff have been working on numerous reserve projects to be completed concurrently with DCSIP. Staff reviewed proposals from six vendors and selected a vendor to complete pool renovations in March. Staff reviewed proposals from three vendors to upgrade and replace furniture and umbrellas for the north patio, upper patio, main and toddler pool areas and pickleball courts. A vendor has been selected and will coordinate the timing of deliveries with DCSIP.
- *DCSIP.* Exterior and interior demolition is complete. Haydon Contractors and Architekton are moving forward with interior remodeling and new construction of the pickleball courts, fitness room and studio. Staff and vendors continue to collaborate on interior furniture, art, millwork, fitness equipment and technology including A/V and access hardware. Fifty-five residents participated in the EoS and MMR fitness free trials offered through March 31.

Public Affairs

- *State land.* The Coyotes have officially requested an auction for the land they would like to purchase at the northwest corner of the 101 Freeway and Scottsdale Road. Next steps are for the state to approve the request to sell, get an appraisal, and set an auction date.
- *Mack Industrial project.* Chris Irish has reached out to both the city and Mack with a request to participate in the construction mitigation plan but neither has responded.
- *94th and Bell Residential.* No work has started on the project, they are still working through city permitting.
- *Dog Park.* The city is late in meeting their spring construction start date.
- *Construction in DC Ranch.* Camelot Homes has started construction on eight of the nine homes to be built in The Legacy. Six have been sold.



Program Participants	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Arts and Education Performances	-	-											0
Aqua Fitness	-	-											0
Aqua Fitness Drop-in	-	-											0
Back to School Bash/Bounce	-	-											0
Card and Game Clubs (Hand and Foot, Mah Jongg)	37	54											91
Card and Tile Classes (Maj, Canasta and Bridge)	-	-											0
Cookies with Mrs. Claus	-	-											0
Creative Arts Class	-	-											0
Dive In Movies (Attendance)	-	-											0
Food Truck Night (Attendance)	0	63											63
Grapenuts Wine Club	19	21											40
Health & Wellness	16	-											16
Landscape Stroll	-	-											0
Lifelong Learning		8											8
Mountain Biking Club	-	0											0
Off the Ranch	-	-											0
Path & Trail Programs (Ranch Walks, Hikes, Forum)	23	20											43
Pickleball Club (Sun)	30	62											92
Racquet Clinics (Tennis & Pickleball)	-	-											0
Racquet Tournaments (Tennis & Pickleball)	-	-											0
Spotlight Speaker Series (Attendance)	-	-											0
Strength and Balance (M/W)	20	20											40
Strength and Balance (T/TH)	20	20											40
Strength and Balance (Drop In)	40	25											65
Summer Saturday/Tropical Tuesdays	-	-											0
Sunset Tour (Attendance)	28	-											28
Wet & Wild Wednesdays	-	-											0
Women's Club	27	15											42
Yoga (M/W) All Levels	12	20											32
Yoga (M/W) All Levels Drop-in	10	13											23
Yoga Basics (T/TH)	25	25											50
Yoga Basics (T/TH) Drop-In	41	22											63
Youth & Teen	-	33											33
Zumba (F)	10	15											25
Zumba (F) Drop - in	10	9											19
Registrant Total	368	445	0	0	0	0	0	0	0	0	0	0	813
Community Events & Celebrations Participants													Total
Adult Specialty Events	105	-											105
Community Celebrations	-	-											0
Concert Series	-	-											0
DC Ranch Day	393	-											393
Eggstravaganza	-	-											0
Neighborhood Park Parties	-	-											0
Prickly Pumpkin	-	-											0
Social Hour	47	50											97
Special Celebrations	-	-											0
Spooky Carnival	-	-											0
Volunteer Appreciation Event	-	-											0
Winter Celebrations	-	-											0
Yappy Hour	-	26											26
Registrant Total	545	76	0	0	0	0	0	0	0	0	0	0	621
Playhouse Theatre Participants													Total
Audience (Attendance)	-	-											0
Auditions	68	-											68
Backstage Program/Volunteers	2	-											2
Cast Members	35	-											35
Workshops, Camps, Classes	-	-											0
Registrant Total	105	0	0	0	0	0	0	0	0	0	0	0	105

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APRIL 2024

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 All Levels Yoga Strength & Balance	2 Yoga Basics	3 All Levels Yoga Strength & Balance	4 Yoga Basics Strength & Balance Hand and Foot Canasta Club	5 Zumba	6
7 Pickleball Club Sunlight Concert	8 All Levels Yoga Strength & Balance	9 Yoga Basics	10 All Levels Yoga Strength & Balance Grapenuts: Becoming a Sommelier	11 Yoga Basics Strength & Balance Women's Club Hand and Foot Canasta Club	12 Zumba Youth and Teen: Nerf Blaster Bash	13
14 Pickleball Club	15 All Levels Yoga Strength & Balance	16 Yoga Basics Mah Jongg Club Ranch Walk: Silverleaf Village	17 All Levels Yoga Strength & Balance	18 Yoga Basics Strength & Balance Hand and Foot Canasta Club Food Truck Night	19 Zumba Starlight Concert	20
21 Pickleball Club	22 All Levels Yoga Strength & Balance	23 Yoga Basics	24 All Levels Yoga Strength & Balance	25 Yoga Basics Strength & Balance Hand and Foot Canasta Club Off the Ranch: Bowling Night	26 Zumba	27 Gives Shred Day
28 Pickleball Club	29	30				

EVENTS AND PROGRAMS

Sunlight Concert

Sunday, April 7 | 3:30 to 5:30 p.m.
The Homestead Lawn
All ages | Free

Bring lawn seating, pack a picnic and enjoy the beautiful spring weather with some live music! Jaty Edwards will perform rock and country hits.

Grapenuts: Becoming a Sommelier

Wednesday, April 10 | 6 to 8 p.m.
The Homestead Community Center
Ages 21+ | [RSVP](#)

Join a seasoned sommelier for a lively discussion about the nuances of wine appreciation and the journey to becoming a certified wine connoisseur. Please bring a favorite bottle of wine to share with the group.

Women's Club: Arizona Heritage Center

Thursday, April 11 | 10 a.m. to Noon
Meet at Arizona Heritage Center
Ages 18+ | [RSVP](#)

Embark on a captivating journey through Arizona's vibrant history. Residents will discover fascinating exhibits, artifacts and stories that come to life, providing a deeper understanding of the unique heritage that defines State 48.



Youth and Teen: Nerf Blaster Bash

Friday, April 12 | 4:30 to 6:30 p.m.
The Homestead Community Center
Ages 8 to 12 | [\\$18](#)

Get ready to dodge, duck and dive! Young residents will have a blast navigating through obstacle courses and engaging in adrenaline-pumping foam dart battles. Pizza, soda and water included.

Ranch Walk: Silverleaf Village

Tuesday, April 16 | 4 to 5:30 p.m.
Meet at Copper Ridge
All ages | [RSVP](#)

Step outside and explore the natural beauty of DC Ranch. Enjoy a leisurely walk (less than 3 miles) with neighbors along the path and trail system. Please wear appropriate shoes and bring a water bottle.

Food Truck Night

Thursday, April 18 | 5 to 7 p.m.
The Homestead

Enjoy some of the Valley's best food trucks as they roll into DC Ranch.

Starlight Concert: Rock Lobster

Friday, April 19 | 6 to 8 p.m.
Market Street Park
All ages | Free

Enjoy a night of live music under the stars. Residents are encouraged to walk or ride their bikes to the concert and to bring their own lawn seating, snacks and drinks. Parking is available on the south end of Market Street.



Off the Ranch: Bowling Night

Thursday, April 25 | 6 to 8 p.m.
Meet at Bowlero
Ages 21+ | [\\$23](#)

Strike up some fun with neighbors at Bowlero! Whether you're a seasoned pro or a casual bowler, everyone is welcome. Ticket includes two hours of bowling, appetizers, two drinks and shoe rental.



Gives Shred Day

Saturday, April 27 | 9 a.m. to Noon
The Homestead Parking Lot
Suggested \$10 donation

Shred sensitive documents at the 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 Arizona Cancer Foundation for Children. Easy drive up and drop off convenience. Electronic recycling also available.

FITNESS & WELLNESS

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.
Thursday | 10:30 to 11:30 a.m.
The Homestead

Yoga Basics*

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

Zumba*

Friday | 10 to 11 a.m.
The Homestead

Pickleball Club

Sunday | 8 to 11 a.m.
Desert Camp Tennis Court

**No classes April 29-May 6*

DC Ranch Community Council Financial Highlights – Director Analysis for period ending February 29, 2024

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 1,011,929	\$ 16,914	\$ 62,501	\$ 1,091,344
Expenses	680,887	54,004	280,988	1,015,879
Operating Income/(Loss)	\$ 331,042	\$ (37,090)	\$ (218,487)	\$ 75,465
Depreciation	-	-	6,327	6,327
Total Income/(Loss)	\$ 331,042	\$ (37,090)	\$ (224,814)	\$ 69,138
Transfers In/(Out)	(117,504)	117,504	-	-
Total Surplus/(Deficit)	\$ 213,538	\$ 80,414	\$ (224,814)	\$ 69,138

Revenue

Operating revenue for February totaled \$484k, higher than budget by \$2k (<1%). Year-to-date revenue is favorable to budget by \$148k (17%). Significant variances to budget include:

- Community Benefit Fees came in \$7k (4%) higher than forecast for February. Benefit Fees YTD reflect a revenue surplus of \$155k (61%).
- Assessments are slightly higher than budget due to the commercial lots that were estimated to be subtracted for the new Ranch Association maintenance facility, which has not been finalized.
- The management fee has not been recorded thru February. Due to the governance restructure, cost sharing amounts will be revised and recorded in a future month.
- Interest has a \$12k positive variance to budget due to a higher rate on the ICS account (high-yield savings account that is fully FDIC insured).

Expense

Operating expenses for February came in \$15k (4%) unfavorable to budget, with year-to-date expense \$12k (1%) lower than budget. Notable expense variances include:

Administration

- Personnel costs are \$10k higher than estimated in the budget YTD due to the changes in governance structure. Cost sharing amounts will be revised to offset the variance.
- Administrative expenses are higher than budget due to legal fees and the timing of IT expenses.
- Travel/Mtgs/ERR is \$5k under budget YTD due to timing of employee expenses.

Programs

- Program expenses are favorable to budget by \$5k due to cost savings for DC Ranch Day and the timing of expenses for community engagement and communications.

Facilities

- Facilities expense overall are \$9k below budget mainly due to the savings in utilities and contract services at Desert Camp.

Reserve

- Reserve expenditures total \$54k so far for the year.
- Interest income totals \$17k YTD.

Capital

- The Desert Camp Site Improvement Project is on track with expenditures totaling \$120k in February and \$281k YTD.
- Depreciation expense (non-cash) totals \$6k for the year.
- Interest income totals \$63k YTD.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 4.53 months as of 2/29/2024.
- There is \$7.5 mil in the capital fund and \$2.8 mil in the reserve fund. Reserves are currently 100.62% funded, but this will change significantly with the addition of new DCSIP assets, as well as possible adjustments from the reserve study.

Looking Forward

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

<u>Month</u>	<u>Currently in escrow</u>	<u>Budgeted Benefit Fees</u>
March 2024	\$284,103	\$146,338
April 2024	\$142,625	\$152,412

Community Council is starting the year off strong with over \$200k in operating net income. Community Benefit Fees are performing moderately above budget so far. A transfer to the capital fund will be considered when benefit fee revenue reaches the annual budgeted amount of \$1.5 mil, which will help to fully fund DCSIP.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending February 29, 2024

	February 2024			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2024 Budget
INCOME							
Residential Assessments	\$ 212,862	\$ 212,862	\$ -	\$ 425,724	\$ 425,724	\$ -	\$ 2,554,344
Commercial Assessments	75,660	73,554	2,106	151,320	147,108	4,212	882,648
Community Council Benefit Fees	181,623	174,409	7,214	407,029	252,396	154,633	1,500,000
Total Assessment Revenue	470,145	460,825	9,320	984,073	825,228	158,845	4,936,992
Community Celebrations & Events	2,446	2,300	146	2,446	2,300	146	24,500
Community Programming	5,553	5,094	459	10,489	8,894	1,595	83,940
Total Program Revenue	7,999	7,394	605	12,935	11,194	1,741	108,440
Community Center Rentals	-	-	-	2,175	-	2,175	-
Resident Access	20	-	20	160	-	160	1,000
Total Facilities Revenue	20	-	20	2,335	-	2,335	1,000
Management Fee	-	11,525	(11,525)	-	23,050	(23,050)	138,300
Advertising	-	-	-	360	-	360	8,280
Interest	5,883	2,385	3,498	12,226	4,770	7,456	28,613
Other Income	-	-	-	-	-	-	9,100
Total Other Income	5,883	13,910	(8,027)	12,586	27,820	(15,234)	184,293
Total Operating Income	484,047	482,129	1,918	1,011,929	864,242	147,687	5,230,725
EXPENSES							
Reserve Contributions	58,752	58,752	-	117,504	117,504	-	705,024
Capital Contributions	-	-	-	-	-	-	-
Total Reserve Expense	58,752	58,752	-	117,504	117,504	-	705,024
Personnel Expenses	229,380	228,699	681	466,943	457,398	9,545	2,827,270
Administration	24,618	15,132	9,486	48,163	34,012	14,151	270,645
Travel/Mtgs/ERR	5,626	8,886	(3,260)	7,297	12,601	(5,304)	69,620
Total Administrative Expense	259,623	252,717	6,906	522,403	504,011	18,392	3,167,535
Community Celebrations & Events	6,918	6,879	39	41,388	45,003	(3,615)	309,707
Community Programming	6,890	7,455	(565)	12,215	12,020	195	149,200
Community Engagement & Public Affairs	1,553	10,550	(8,997)	6,901	17,550	(10,649)	69,245
Communications	3,804	8,404	(4,600)	7,775	12,383	(4,608)	74,720
Total Program Expense	19,165	33,288	(14,123)	68,279	86,956	(18,677)	602,872
Ranch Offices	17,645	17,747	(102)	35,289	35,494	(205)	220,964
Desert Camp Community Center	8,670	18,706	(10,036)	26,483	34,833	(8,350)	227,711
The Homestead Community Center	7,805	5,420	2,385	11,279	10,599	680	81,962
MS Park/P&T/Seasonal Décor	516	1,214	(698)	853	2,430	(1,577)	110,310
Total Facilities Expense	34,635	43,087	(8,452)	73,904	83,356	(9,452)	640,947
Insurance (non-EE) & Taxes	6,287	7,575	(1,288)	12,574	15,150	(2,576)	90,900
Other Expenses	3,148	1,629	1,519	3,727	3,192	535	23,447
Total General Expense	9,435	9,204	231	16,301	18,342	(2,041)	114,347
Total Operating Expense	381,610	397,048	(15,438)	798,391	810,169	(11,778)	5,230,725
Operating Income/(Loss)	102,437	85,081	17,356	213,538	54,073	159,465	-
Reserve Net Income/(Loss)	13,103	-	13,103	80,414	-	80,414	-
Capital Net Income/(Loss)	(93,682)	-	(93,682)	(224,814)	-	(224,814)	-
Reserve & Capital Net Income/(Loss)	(80,579)	-	(80,579)	(144,400)	-	(144,400)	-
Total Net Income/(Loss)	\$ 21,857	\$ 85,081	\$ (63,224)	\$ 69,138	\$ 54,073	\$ 15,065	\$ -

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET

At February 29, 2024

	2/29/2024	12/31/2023	Y/Y Change
ASSETS			
OPERATING FUND			
Cash	\$ 1,975,538	\$ 1,824,454	\$ 151,084
Petty Cash	500	500	-
TOTAL OPERATING CASH	<u>1,976,038</u>	<u>1,824,954</u>	<u>151,084</u>
RESERVE FUND			
Cash	1,412,142	1,015,626	396,516
Investments (Net)	<u>1,386,168</u>	<u>1,559,821</u>	<u>(173,653)</u>
TOTAL RESERVE FUND	<u>2,798,309</u>	<u>2,575,447</u>	<u>222,862</u>
CAPITAL FUND			
Cash	5,821,535	3,000,016	2,821,518
Investments (Net)	<u>1,665,455</u>	<u>4,977,784</u>	<u>(3,312,329)</u>
TOTAL CAPITAL FUND	<u>7,486,989</u>	<u>7,977,800</u>	<u>(490,810)</u>
Accounts Receivable (Net)	54,462	10,872	43,590
Intercompany Receivable	100,865	250,840	(149,975)
Prepaid Expenses	232,129	98,624	133,505
Interfund Transfers	100	134,273	(134,173)
Operating Lease Right-to-Use Asset	<u>199,974</u>	<u>199,974</u>	<u>-</u>
OTHER CURRENT ASSETS	<u>587,530</u>	<u>694,582</u>	<u>(107,053)</u>
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	28,459	28,459	-
Vehicles & Equipment	184,143	184,143	-
Desert Camp Renovation(s)	161,479	161,479	-
Homestead Renovation(s)	<u>110,112</u>	<u>110,112</u>	<u>-</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>484,192</u>	<u>484,192</u>	<u>-</u>
<i>Less Accumulated Depreciation</i>	<u>(367,739)</u>	<u>(361,412)</u>	<u>(6,327)</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>116,453</u>	<u>122,780</u>	<u>(6,327)</u>
TOTAL ASSETS	<u>\$ 12,965,320</u>	<u>\$ 13,195,564</u>	<u>\$ (230,244)</u>
LIABILITIES			
Accounts Payable	\$ 107,582	\$ 96,501	\$ 11,081
Intercompany Payable	-	224	(224)
Accrued Liabilities	226,427	362,214	(135,787)
Deferred Revenue	13,675	10,173	3,502
Prepaid Assessments	58,812	102,593	(43,781)
Interfund Transfers	100	134,273	(134,173)
Operating Lease Right-to-Use Liability	199,974	199,974	-
Other Current Liabilities	<u>(939)</u>	<u>(939)</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>605,631</u>	<u>905,012</u>	<u>(299,381)</u>
TOTAL LIABILITIES	<u>\$ 605,631</u>	<u>\$ 905,012</u>	<u>\$ (299,381)</u>
NET ASSETS			
Reserve Equity	2,663,792	2,663,792	-
Capital Equity	7,820,014	7,820,014	-
Operating Equity	1,806,745	1,806,745	-
Current Year Profit/Loss	<u>69,138</u>	<u>-</u>	<u>69,138</u>
TOTAL NET ASSETS	<u>\$ 12,359,689</u>	<u>\$ 12,290,551</u>	<u>\$ 69,138</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 12,965,320</u>	<u>\$ 13,195,564</u>	<u>\$ (230,244)</u>

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date February 29, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (deficit) for period	\$	69,138
Adjustments to reconcile Net Income (deficit)		
Depreciation		6,327
<u>(Increase)/Decrease in:</u>		
Accounts Receivable		(43,590)
Intercompany Receivable		149,975
Prepaid Expense		(99,772)
Prepaid Insurance		(33,733)
<u>Increase/(Decrease) in:</u>		
Accounts Payable		11,081
Intercompany Payable		(224)
Accrued Payroll Expenses		36,247
Accrued Expenses		(172,034)
Deferred Revenue		3,502
Prepaid Assessments		(43,781)
Other Liabilities		-

NET CASH FROM OPERATING ACTIVITIES **\$ (116,864)**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment	-
---	---

NET INCREASE (DECREASE) IN CASH **\$ (116,864)**

CASH, BEGINNING OF PERIOD **\$ 12,378,201**

CASH, END OF PERIOD **\$ 12,261,337**

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: **4.53**

Operating Cash at 1/31/24 **\$ 1,976,038**

Total 2024 operating budget expenses **\$ 5,230,725**

MINIMUM - Average of three months **\$ 1,307,681**

Amount over
minimum

\$ 668,357

Amount under
minimum

N/A

MAXIMUM - Average of six months

\$ 2,615,363

Amount over
maximum

N/A

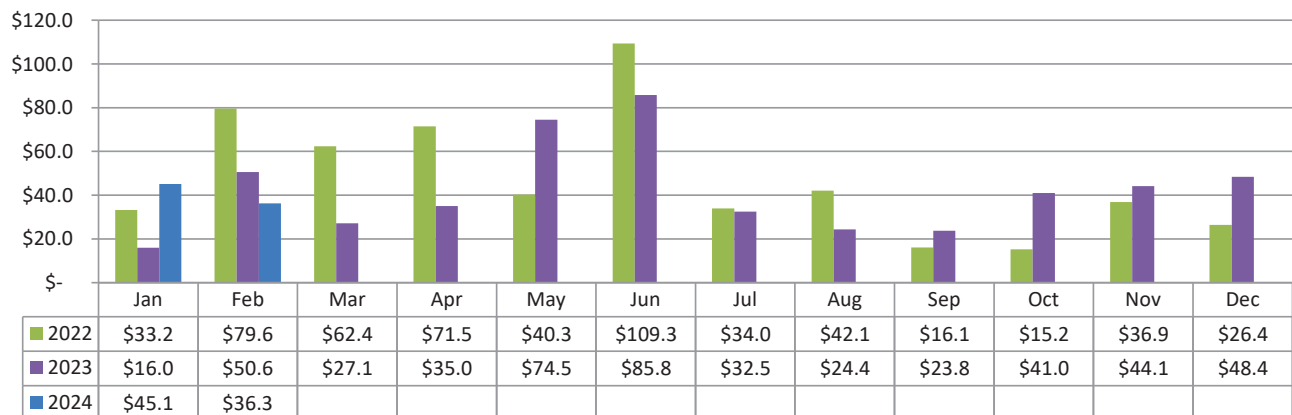
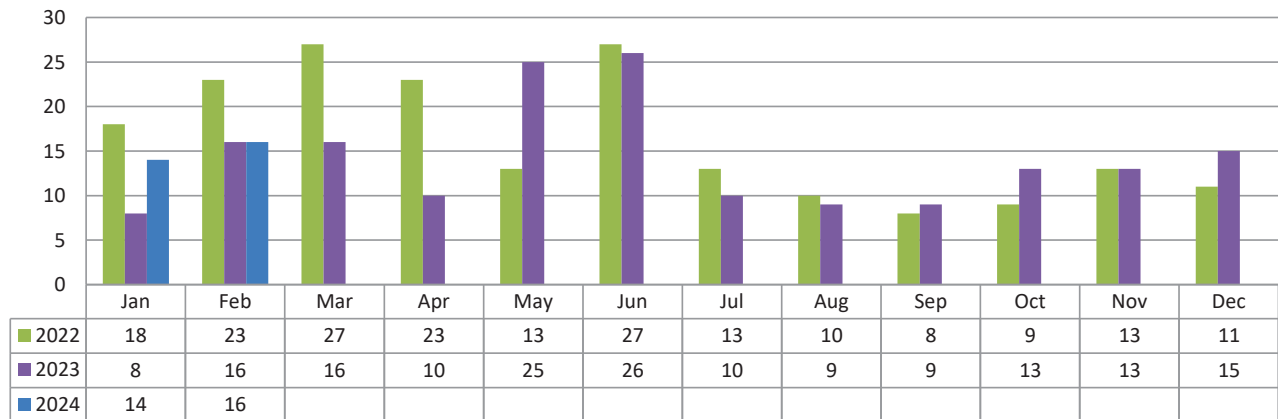
Amount under
maximum

\$ 639,325

Resale Benefit Fee Trend - February 2024

Month	2022 Actual	2023 Actual	In Process	2024 Actual	2024 Budget	Budget Variance	Change from Prior Year
January	\$ 165,815	\$ 80,113	\$ -	\$ 225,406	\$ 77,987	\$ 147,419	\$ 145,293
February	397,845	253,134	-	181,623	174,409	7,214	(71,511)
March	311,878	135,311	284,103	-	146,338	-	-
April	357,798	174,973	142,625	-	152,412	-	-
May	201,745	372,637	175,300	-	116,686	-	-
June	546,370	429,010	43,865	-	208,735	-	-
July	170,030	162,622	-	-	154,251	-	-
August	197,500	122,175	-	-	94,326	-	-
September	80,700	118,794	85,000	-	88,362	-	-
October	75,744	205,100	-	-	101,806	-	-
November	184,613	220,614	-	-	93,780	-	-
December	132,175	242,100	4,125	-	90,908	-	-
Annual Total	\$ 2,822,213	\$ 2,516,582	\$ 735,018	\$ 407,029	\$ 1,500,000	\$ 154,633	\$ 73,782

Property Sale Breakdown				
Location	February	YTD	Average Price	YTD Average
PU 1 - House	3	8	\$ 1,318,333	\$ 1,302,750
PU 2 - House	4	6	\$ 1,276,875	\$ 1,291,083
PU 4 - House	3	4	\$ 3,016,667	\$ 3,000,000
Silverleaf - House	5	10	\$ 3,442,400	\$ 4,323,700
PU 4 - Land	1	1	\$ 1,000,000	\$ 1,000,000
Silverleaf - Land	0	1	\$ -	\$ 7,000,000
Commercial	0	0	\$ -	\$ -
Total/Average	16	30	\$ 2,270,281	\$ 2,713,517



ARTICLE XI

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

11.1 Agreement ~~Fe~~to Avoid Litigation. Declarant, the Community Council, its officers, Directors, and committee members, all Persons subject to this Declaration, all Ranch Associations and any Person not otherwise subject hereto who agrees to submit to this Article (individually, a “Bound Party,” and collectively, “the “Bound Parties””) agree to encourage the amicable resolution of disputes within the DC Ranch community between or among Ranch Associations or to which Declarant or the Community Council is a party, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that ~~those claims, grievances, or disputes described~~ any and all Claims (as defined in Section 11.2 (“Claims”)) shall be submitted to the procedures set forth in Section 11.3 ~~prior to filing suit in any court.~~

All Ranch Associations agree that any claims or disputes among or between two or more Ranch Associations shall be submitted to the terms of this Article ~~and that the Community Council or its designee shall be the party to resolve or mediate the dispute.~~

11.2 Claims. Unless specifically exempted below, all ~~Claims~~ claims, causes of action, controversies, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Community Council Governing Documents, or the rights, obligations and duties of any Bound Party under the Community Council Governing Documents (“Claims”) shall be subject to the provisions of Section 11.3.

Notwithstanding the ~~above~~ foregoing, unless all parties ~~thereto~~ otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 11.3:

~~(a) — any suit~~ (a) An action by the Community Council against any Bound Party to enforce the obligation to pay any assessment to the Community Council under this Declaration or any other ~~applicable~~ covenants;

~~(b) — any suit~~ (b) An action by Declarant or the Community Council to obtain a temporary restraining order ~~or~~, injunction, ~~(or equivalent~~ other emergency equitable relief) and such other ancillary relief as ~~the~~ a court may deem necessary in order to maintain the status quo and preserve Declarant's or the Community Council's ability to act under and enforce rules under any ~~applicable~~ covenants;

~~(c) — any suit between or among owners which does not include Declarant or the Community Council as a party if such suit asserts a Claim which would constitute a cause of action independent of the~~ Community Council Governing Documents;

~~(d) — any suit~~

(c) An action by the Community Council or a Ranch Association to enforce any Community-Wide Standard;

(d) An action in which any indispensable party is not a Bound Party, unless the indispensable third party agrees in writing to submit to this Article; and
or

~~(e) — any suit~~ (e) An action which ~~otherwise would be~~ is time barred by any applicable statute of limitations.

~~With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 11.3.~~

11.3 Mandatory Procedures.

~~(a)~~ (a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and ~~the Respondent~~ may be referred to ~~herein~~ individually as a "Party," ~~or~~ and collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

~~(i)~~ (i) the nature and factual basis of the Claim, including the Persons involved and Respondent's role in the Claim;

~~(ii) — the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);~~

~~(iii)~~ (ii) Claimant's proposed remedy; and

~~(iv) — the fact that Claimant or Claimant's authorized representative will meet with Respondent or an authorized representative of Respondent to discuss in good faith ways to resolve the Claim.~~

~~(b) — Negotiation and Mediation.~~

(iii) a statement that the Claim is subject to the dispute resolution procedures in this Article.

~~(i) — The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a~~ A ~~copy of the Notice, shall also be delivered to the Community Council may appoint a representative to assist the Parties in resolving the dispute by negotiation and its counsel.~~

~~(ii) — If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent mediation service designated by the Community Council or, if the Parties otherwise agree, to an~~

~~independent agency providing dispute resolution services in the Scottsdale, Arizona, area.~~

~~(iii) — If Claimant does not submit~~ (b) Mediation. The Bound Parties agree to first mediate any and all Claims. Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. Each Party shall be entitled to nominate a proposed mediator within five (5) days of receipt and delivery of the Notice. The mediator shall be the proposed mediator which is accepted by all of the Parties. In the absence of such acceptance within five (5) days of the nominations, the proposed mediators shall select a single mediator, which cannot be one of the proposed mediators or affiliated with any of the Parties or their affiliates. In the event that the Claim to(s) cannot be resolved by mediation within 30 days after Termination of Negotiations or does not appear, either in person or through an authorized representative, for the mediation, Claimant(s) sixty (60) days of the Notice, either Party may proceed with arbitration as provided in Section 11.3(c). If Claimant fails to proceed with arbitration within ninety (90) days of the Notice, the Claim(s) shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such the Claim(s); provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

~~(iv) — Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such longer time as determined necessary by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.~~

~~Upon Termination of Mediation, the Claimant shall thereafter be entitled to sue in any court of competent jurisdiction or to initiate proceedings before any, appropriate administrative tribunal on the Claim. Each Party shall bear its own costs of the mediation, including attorneys fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 11.3 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in Section 11.3. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.~~

(c) Arbitration. If the Parties cannot resolve the Claims through mediation, and provided that either Party desires to continue to pursue the Claim(s), the Claim(s) shall be resolved by binding arbitration. The decision of the arbitrator(s) shall be

enforceable in any court of competent jurisdiction. The Parties knowingly and voluntarily waive their rights to have the Claims tried and adjudicated by a judge or jury. The arbitrator(s) shall apply the law of the State of Arizona and the arbitration shall be held in Maricopa County, Arizona. Any Party may demand arbitration by sending a written demand to the other Parties, within ninety (90) days of delivery of the Notice. The arbitration and selection of the arbitrator(s) shall be conducted in accordance with such rules and arbitration forum as may be agreed upon by the Parties. If the Parties fail to agree to the selection of the arbitrator(s), the rules of arbitration, or the arbitration forum within thirty (30) days after arbitration is demanded, the arbitration shall be conducted under the JAMS Comprehensive Arbitration Rules and Procedures (for Claims that exceed \$250,000.00) or the JAMS Streamlined Arbitration Rules and Procedures (for Claims that do not exceed \$250,000.00), as such rules may be modified by this Article. The arbitrator(s) shall have the authority to award actual money damages (with interest on unpaid amounts from the date due), specific performance, and temporary or permanent injunctive relief, but the arbitrator(s) shall not have the authority to award exemplary, punitive, or consequential damages, and the Parties expressly waive any claimed right to such damages. The Parties agree that the award of the arbitrator(s) shall be final, and judgment upon the award may be entered in any court of competent jurisdiction. The arbitrator(s) may assess its fees, all other fees and costs or any such arbitration proceeding, and attorneys' fees (collectively, the "Arbitration Fees") against the Party, who in the arbitrator's opinion, is not the prevailing party. If a Party fails to proceed with arbitration, unsuccessfully challenges the arbitration award, or fails to comply with the arbitration award, the other Party is entitled to costs, including reasonable attorney's fees, for having to compel arbitration or defend or enforce the award. Except as otherwise required by law, the Parties and the arbitrator(s) agree to maintain as confidential all information or documents obtained during the arbitration process, including the resolution of the Claims.

Document comparison by Workshare Compare on Friday, March 15, 2024
4:30:35 PM

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<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	55
Deletions	75
Moved from	3
Moved to	3
Style changes	0
Format changes	0

Total changes	136
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ARTICLE XI
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

11.1 Agreement to Avoid Litigation. Declarant, the Community Council, its officers, Directors, and committee members, all Persons subject to this Declaration, all Ranch Associations and any Person not otherwise subject hereto who agrees to submit to this Article (individually, a “Bound Party,” and collectively, the “Bound Parties”) agree to encourage the amicable resolution of disputes within the DC Ranch community between or among Ranch Associations or to which Declarant or the Community Council is a party, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that any and all Claims (as defined in Section 11.2) shall be submitted to the procedures set forth in Section 11.3.

All Ranch Associations agree that any claims or disputes among or between two or more Ranch Associations shall be submitted to the terms of this Article.

11.2 Claims. Unless specifically exempted below, all claims, causes of action, controversies, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Community Council Governing Documents or the rights, obligations and duties of any Bound Party under the Community Council Governing Documents (“Claims”) shall be subject to the provisions of Section 11.3.

Notwithstanding the foregoing, unless all parties otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 11.3:

(a) An action by the Community Council against any Bound Party to enforce the obligation to pay any assessment to the Community Council under this Declaration or any other covenants;

(b) An action by Declarant or the Community Council to obtain a temporary restraining order, injunction, or other emergency equitable relief and such other ancillary relief as a court may deem necessary in order to maintain the status quo and preserve Declarant’s or the Community Council’s ability to act under and enforce rules under any Community Council Governing Documents;

(c) An action by the Community Council or a Ranch Association to enforce any Community-Wide Standard;

(d) An action in which any indispensable party is not a Bound Party, unless the indispensable third party agrees in writing to submit to this Article; or

(e) An action which is time barred by any applicable statute of limitations.

11.3 Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim (“Claimant”) against any other Bound Party (“Respondent”) (the Claimant and Respondent may be referred to individually

as a “Party” and collectively as the “Parties”) shall notify each Respondent in writing (the “Notice”), stating plainly and concisely:

- (i) the nature and factual basis of the Claim, including the Persons involved and Respondent’s role in the Claim;
- (ii) Claimant’s proposed remedy; and
- (iii) a statement that the Claim is subject to the dispute resolution procedures in this Article.

A copy of the Notice shall also be delivered to the Community Council and its counsel.

(b) Mediation. The Bound Parties agree to first mediate any and all Claims. Each Party shall bear its own costs of the mediation, including attorneys’ fees, and each Party shall share equally all charges rendered by the mediator. Each Party shall be entitled to nominate a proposed mediator within five (5) days of receipt and delivery of the Notice. The mediator shall be the proposed mediator which is accepted by all of the Parties. In the absence of such acceptance within five (5) days of the nominations, the proposed mediators shall select a single mediator, which cannot be one of the proposed mediators or affiliated with any of the Parties or their affiliates. In the event that the Claim(s) cannot be resolved by mediation within sixty (60) days of the Notice, either Party may proceed with arbitration as provided in Section 11.3(c). If Claimant fails to proceed with arbitration within ninety (90) days of the Notice, the Claim(s) shall be deemed waived, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim(s); provided, nothing herein shall release or discharge Respondent from any liability to any Person other than Claimant.

(c) Arbitration. If the Parties cannot resolve the Claims through mediation, and provided that either Party desires to continue to pursue the Claim(s), the Claim(s) shall be resolved by binding arbitration. The decision of the arbitrator(s) shall be enforceable in any court of competent jurisdiction. The Parties knowingly and voluntarily waive their rights to have the Claims tried and adjudicated by a judge or jury. The arbitrator(s) shall apply the law of the State of Arizona and the arbitration shall be held in Maricopa County, Arizona. Any Party may demand arbitration by sending a written demand Notice to the other Parties, within ninety (90) days of delivery of the Notice. The arbitration and selection of the arbitrator(s) shall be conducted in accordance with such rules and arbitration forum as may be agreed upon by the Parties. If the Parties fail to agree to the selection of the arbitrator(s), the rules of arbitration, or the arbitration forum within thirty (30) days after arbitration is demanded, the arbitration shall be conducted under the JAMS Comprehensive Arbitration Rules and Procedures (for Claims that exceed \$250,000.00) or the JAMS Streamlined Arbitration Rules and Procedures (for Claims that do not exceed \$250,000.00), as such rules may be modified by this Article. The arbitrator(s) shall have the authority to award actual money damages (with interest on unpaid amounts from the date due), specific performance, and temporary or permanent injunctive relief, but the arbitrator(s) shall not have the authority to award exemplary, punitive, or consequential damages, and the Parties

expressly waive any claimed right to such damages. The Parties agree that the award of the arbitrator(s) shall be final, and judgment upon the award may be entered in any court of competent jurisdiction. The arbitrator(s) may assess its fees, all other fees and costs or any such arbitration proceeding, and attorneys' fees (collectively, the "Arbitration Fees") against the Party, who in the arbitrator's opinion, is not the prevailing party. If a Party fails to proceed with arbitration, unsuccessfully challenges the arbitration award, or fails to comply with the arbitration award, the other Party is entitled to costs, including reasonable attorney's fees, for having to compel arbitration or defend or enforce the award. Except as otherwise required by law, the Parties and the arbitrator(s) agree to maintain as confidential all information or documents obtained during the arbitration process, including the resolution of the Claims.

**CORPORATE RESOLUTION
OF
DC RANCH COMMUNITY COUNCIL, INC.**

The undersigned being all the Directors of DC Ranch Community Council, Inc., an Arizona nonprofit corporation (the “Corporation”), hereby adopt and approve the following resolution (“Resolution”) in accordance with the laws of the State of Arizona.

WHEREAS, pursuant to Section 7.6 of the Amended and Restated Bylaws of the Corporation dated July 7, 1999, as amended on September 26, 2008 (the “Bylaws”), the Bylaws may be amended by the Corporation’s Board of Directors, provided such amendment does not remove, revoke, or modify any right or privilege of DC Ranch, L.L.C., an Arizona limited liability company (“Declarant”).

WHEREAS, the Directors of the Corporation unanimously determined it is in the best interest of the Corporation to prepare and execute a Second Amendment to the Bylaws reflecting the requirement for all Directors of the Corporation who are owners and residents of property subject to the DC Ranch Community Council Declaration of Covenants and Easements (“Declaration”) to remain in good standing with the Corporation during their term as Director of the Corporation (the “Second Amendment”).

NOW, THEREFORE, it is unanimously

RESOLVED, that the Second Amendment is hereby approved, accepted, and adopted.

FURTHER RESOLVED, that all actions heretofore taken on behalf of the Corporation by the Board of Directors in connection with any of the foregoing matters are ratified and confirmed in all respects as the acts of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the Directors of the Corporation have executed this Corporate Resolution as of March __, 2024.

BOARD OF DIRECTORS:

By: Ethan Knowlden, Director

By: Natalie Ingram, Director

By: Elizabeth Kepuraitis, Director

By: Ron Belmont, Director

By: Rolland Dickson, Director

By: Dinesh Kakwani, Director

By: Alex Townsend, Director

**SECOND AMENDMENT TO
AMENDED AND RESTATED BYLAWS
OF
DC RANCH COMMUNITY COUNCIL, INC.**

This Second Amendment to Amended and Restated Bylaws of DC Ranch Community Council, Inc. ("Second Amendment") is made and entered into this __ day of March, 2024 (the "Effective Date") by and among the Board of Directors of DC Ranch Community Council, Inc., an Arizona nonprofit corporation (the "Corporation").

RECITALS

A. The Corporation duly promulgated and adopted the Amended and Restated Bylaws of DC Ranch Community Council, Inc. dated July 7, 1999, and as amended on September 26, 2008 ("Bylaws").

B. Pursuant to Section 7.6 of the Bylaws, the Bylaws may be amended by the Corporation's Board of Directors, provided such amendment does not remove, revoke, or modify any right or privilege of Declarant.

C. The Board of Directors of the Corporation now desire to amend the Bylaws in accordance with the terms and conditions of this Second Amendment.

AMENDMENT

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agree as follows:

1. Recitals. The Recitals above are incorporated into this Second Amendment by reference and made a part hereof.

2. Definitions. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Bylaws.

3. Amendment to Section 4.1. Section 4.1 of the Bylaws is hereby amended by adding the following thereto:

"Throughout their term of office as Director, each Owner Director shall be in Good Standing. In the event an Owner Director is not in Good Standing, the Corporation will give the Owner Director written notice stating their failure to remain in Good Standing and provide the Owner Director 60 days to remedy such failure. If the Owner Director fails to be in Good Standing 60 days following the written notice, the Owner Director may be removed as a Director of the Corporation pursuant to Section 4.4 herein. "Good Standing" shall be defined as having no financial

obligation past due over 90 days owed to the Corporation, no unresolved covenant violations of the Community Standards and not a party to litigation with claims alleged against the Corporation.”

4. Effect of Amendment. Except as specifically amended hereby, the Bylaws shall remain in full force and effect in accordance with its original terms. In the event of any conflict or inconsistency between the terms of this Second Amendment and the Bylaws, the terms of this Second Amendment shall control.

5. Counterparts. This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Second Amendment. This Second Amendment may be executed by either or all parties by facsimile signature, and any such facsimile signature shall be deemed an original signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the Board of Directors have executed this Second Amendment as of the Effective Date.

“BOARD OF DIRECTORS”

By: Ethan Knowlden, Director

By: Natalie Ingram, Director

By: Elizabeth Kepuraitis, Director

By: Ron Belmont, Director

By: Rolland Dickson, Director

By: Dinesh Kakwani, Director

By: Alex Townsend, Director