



**DC RANCH ASSOCIATION
POLICY 104
POLICY ON GOVERNANCE**

Date of Adoption: January 8, 2018

Effective Date: January 9, 2018

Last Revised: October 30, 2025

104.1 Purpose. The purpose of this policy is to define governance procedures of the Board of Directors and to delegate authority. The intent is to comply with governing documents, to have an orderly, systematic and transparent decision-making process, and to ensure that authority for certain actions is properly and clearly delegated.

104.2 Scope. This policy applies to all members of the DC Ranch Association Board of Directors. Its scope is to bring attention to, and clarify where needed, important procedures and requirements related to the governance of the Association. Additional information can be found in the Association's CC&Rs, Bylaws, Articles of Incorporation, and Arizona Revised Statutes (Governing Documents). Should a conflict regarding language in this policy and the Governing Documents occur, those documents have precedence over this policy.

104.3 Responsibility/Authority. The Ranch Association Board of Directors.

104.4 Introduction. The Association's mission statement is as follows: To serve all DC Ranch Stakeholders through the professional management and protection of the community's fiscal and environmental assets. DC Ranch Association delivers high quality and consistent operations, landscape, maintenance, and security services with an emphasis on customer care and open communication that result in sustained property values and exceptional quality of life. This policy will provide guidance to the Board of Directors as it endeavors to fulfill the mission and effectively govern the community in accordance with important community ethics as informed by the community-wide values, strategic plan(s), brand standards and other governing documents.

104.5 Board of Directors Removal. This provision prevents all directors who have been removed from office by the membership from immediately returning to elected or appointed positions within the Association.

104.5.a. Statutory Basis. Under Arizona law (A.R.S. 33-1813), members of a planned community may remove a director by a majority vote of the membership.

104.5.b. Period of Ineligibility. Any person who has been removed from the Board of Directors pursuant to A.R.S. 33-1813 and the Association's governing documents shall be deemed ineligible to run for or serve on the Association Board, as Treasurer of the Association, as a Voting Member, as a Board-appointed Committee member, as an employee of the Association, or equivalent roles within any of the Ranch Association sub-associations for a period of five (5) years from the effective date of removal.

104.5.c. Retroactive Application. This provision shall apply retroactively to any person who has been removed from the Association Board of Directors by a vote of the membership within the five (5) years preceding the effective date of this policy. Any such previously removed person shall be deemed ineligible to be a candidate for or to serve in any role as identified in Section 104.5.b. until five (5) years have elapsed from the date of their removal.

104.5.d. **Application and Scope.** This provision shall apply only to removals conducted in accordance with A.R.S. 33-1813 and the Association's governing documents. The ineligibility period shall begin on the date the recall vote results are announced to the Members of the Association after the recall election. Resignation during a pending recall does not avoid the effect of this policy.

104.6 **Board Meeting Attendance via Telephone or Video Conference.** Directors may attend in person, telephonically, by videoconference, or by any other means of voice communication as long as all participants of the meeting can hear each other.

104.7 **Involvement in Non-DC Ranch Activities.** Directors may attend and participate in meetings or events organized by, or involving, individuals, groups, or other entities not affiliated with DC Ranch, including meetings held by the City of Scottsdale or other government agencies. Absent prior approval from the Board President, a Director may not represent, either explicitly or implicitly, that he or she is attending or participating in any such meeting or event as a representative of, or on behalf of DC Ranch or DC Ranch Association. Additionally, if name badges are worn, the Director's badge may not display any affiliation with DC Ranch or DC Ranch Association, and any program, handouts, slides, or other printed material prepared for the meeting or event must similarly exclude the Director's affiliation. Further, oral introductions made before speaking shall not include the Director's affiliation with DC Ranch.

104.8 **Vote of Board President.** Unless otherwise restricted such as by the Ethics Policy, the Board President may vote on any issue.

104.9 **Notice of Board Meetings and Committee Meetings.** Requirements are listed in the Bylaws. However, notice will not be required in the event of an emergency.

104.10 **Board of Directors Meeting Calendar.** At the beginning of each fiscal year, the Board President will publish a Board Calendar. The Board Calendar will list all regularly scheduled Board meetings and will highlight special presentations requested by the Board throughout the year. The purpose of the calendar is to ensure all major operating elements of the Association are reviewed in open session with the Board.

104.11 **Board Agenda Formation.** The Board President, working with the Chief Administrative Officer/Chief Operating Officer, will publish an agenda to the Association's website for all regularly scheduled and special open meetings of the Board. In accordance with Arizona Revised Statutes 33-1804, the Board meeting agendas must be available at least 48 hours in advance of the scheduled meeting.

104.11.a. **Agenda Items.** The Board President will determine the order of business for all meetings of the Board. The Board President will seek input from all Board members and Chief Administrative Officer/Chief Operating Officer on potential Board topics.

104.11.b. **Agenda Compliance.** The Board will not act on any items not on the published agenda. The Board will address agenda items in the published order, unless there is a majority vote of the Board in favor of changing placement of agenda items for purposes of timing/clarity.

104.12 **Executive Sessions of the Board.** Pursuant to Arizona Revised Statutes 33-1804, the Board may recess into an Executive Session or hold a separate Executive Session to discuss only one or more of the following:

1. Legal advice from an attorney for the Board or the Association. On final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.
2. Pending or contemplated litigation.
3. Personal, health or financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association, including records of the association directly related to the personal, health or financial information about an

individual member of the association, an individual employee of the association or an individual employee of a contractor for the association.

4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.
5. Discussion of a member's appeal of any violation cited or penalty imposed by the Association, except on request of the affected member that the meeting be held in an open session.

104.13 Board Meeting Minutes. Official minutes of regular Board meetings shall be recorded by the Board Secretary (or designee). Minutes of the Board meeting shall be prepared for review and approval by the Board at the next regularly scheduled meeting of the Board. Minutes shall include roll call; establishment of quorum; approval of the agenda; discussion; action items; matters voted upon and result of vote; and adjournment.

104.14 Interaction with Management and Other Parties. To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability of the Association, Board members shall observe the following guidelines:

104.14.a. The Board President (or their designee) shall serve as liaison between the Board and management and provide direction to management on day-to-day matters. Should the Board President be unable to or fail to carry out the management directives of the Board, another Board member as designated through a majority vote of the Board, may access or communicate with management and provide direction.

104.14.b. The Board President (or their designee) shall serve as liaison with the Association's legal counsel (along with the Chief Administrative Officer/Chief Operating Officer). Should the Board President be unable to or fail to carry out the management directives of the Board, another Board member as designated through a majority vote of the Board, may access or communicate with management and provide direction.

104.14.c. Only the Board President (or their designee) may give direction to management, employees, vendors, contractors, or service providers, unless expressly authorized by the Board or this Policy to do so.

104.14.d. Each director must comply with the decisions of a majority of a quorum of the Board even if they voted against that decision.

104.14.e. No board member shall act independently in matters related to the Association without proper authority granted by the Board.

104.15 Authority of the Chief Administrative Officer/Chief Operating Officer. Article 4.4 of the Bylaws provides that the Board President shall be the Chief Executive Officer. Pursuant to Article 3.20 of the Bylaws, the Board may delegate to an Executive Director (or equivalent) such powers necessary to carry out the duties and services required to operate the business. The Board, by unanimous resolution, recognized the Chief Administrative Officer and Chief Operating Officer as the senior executive staff officers of the Association. The Chief Administrative Officer/Chief Operating Officer thereby, has full authority and responsibility to manage all employees, finances, and activities of the Association except as limited by this Section 104.15, by Section 104.18 of this policy and by any other approved policy. Specific limitations on the Chief Administrative Officer/Chief Operating Officer's authority include:

1. The Chief Administrative Officer/Chief Operating Officer must comply with all approved policies.
2. The compensation budget approved by the Board each year shall be adhered to. Deviations from that plan require approval from the Board of Directors.
3. All contracts with a greater annual value of \$150,000 must be approved by the Board.

104.16 Expense Signature Authority. The Chief Administrative Officer/Chief Operating Officer are authorized to approve Ranch Association expenses as follows:

- Planned and scheduled replacement/repair reserve expenses not exceeding \$150,000.

- Unplanned replacement/repair reserve expenses not exceeding \$50,000 per item in one fiscal year.
- Reallocation and timing of replacement/repair reserve expenses among approved planned reserve expenses not to exceed \$100,000 per reserve item in one fiscal year.
- Reallocation and timing of replacement/repair reserve expenses from approved planned reserve expenses to unplanned reserve expenses not to exceed \$50,000 per item in one fiscal year.
- Recurring operational expenses within the approved budget.
- Other non-budgeted operating and contract expenses not exceeding \$150,000.
- The Chief Administrative Officer/Chief Operating Officer shall be the only authorized check signers to sign operating and reserve account checks for contractual recurring, budgeted expenses and non-contractual budget and unbudgeted expenses if it is within the approved Chief Administrative Officer/Chief Operating Officer limits. In the absence of the Chief Administrative Officer/Chief Operating Officer, the Board President or Treasurer may sign checks. If a purchase is outside of the Chief Administrative Officer/Chief Operating Officer's spending authority, a special manual check will be cut, and the check must be signed by the Board President/Treasurer and the Chief Administrative Officer/Chief Operating Officer.
- The Chief Administrative Officer/Chief Operating Officer may waive fines and fees on an owner's account up to \$1,000 but may not waive hard costs such as legal, liens, filing costs or assessments, without Board of Directors approval.

104.17 Spokespersons. The Board President and Chief Administrative Officer/Chief Operating Officer are authorized to speak or designate another person to make statements on behalf of the Association. No other members of the Board or staff are so authorized. All inquiries for information or requests for a statement from the media, residents, governmental figures of all levels, and all other entities must be handled by the authorized personnel.

104.18 Items Requiring Board of Directors' Approval. The following items must be approved by vote of the Board of Directors:

- All policies other than policies directed to the day-to-day management of the staff
- The CAO/COO's annual reviews and compensation plan
- The annual operation and reserve budgets
- The choice of the auditor and the contract with the auditor
- All standards enforced in the community
- Any additions or reductions in Association authority (Examples include adding or removing neighborhoods, management or oversight of sub-associations, additional or reduced authority over modifications, etc.)
- Expenses greater than those listed in 104.16 above
- Minutes of regular and special board meeting and of Executive Sessions of the Board
- Disciplinary action taken against a Board member
- Appointment of replacement directors
- Disciplinary related lawsuits against members

Approved by:

Effective Date:

Board President or Secretary



**DC RANCH ASSOCIATION
POLICY 106
POLICY ON NEIGHBORHOOD VOTING MEMBERS ('NVM')**

Date of Adoption: January 8, 2018

Effective Date: January 9, 2018

Last Revised: October 30, 2025

106.1 Introduction: The mission of the Ranch Association is to serve DC Ranch stakeholders through the professional management and protection of the community's fiscal and environmental assets. The Ranch Association delivers high quality and consistent operations, landscape, maintenance, and community patrol and gate access services with an emphasis on customer care and open communication that result in sustained property values and an exceptional quality of life.

106.2 Purpose: The purpose of this policy is to define the NVM program.

106.3 Definitions: Voting Member (hereinafter referred to as Neighborhood Voting Member or NVM): The representative selected by the Class "A" Members (homeowners) within each "Neighborhood" pursuant to Section 6.4(b) of the CC&Rs who casts the Class "A" votes attributable to their units on all matters requiring a vote of the membership, except as otherwise provided by the CC&Rs.

The term "Voting Member" shall also refer to the Alternate Voting Member (Alternate **NVM**) acting in the absence of the Voting Member (CC&Rs 2.32). All Voting Members must reside in the neighborhood they represent. and must be in Good Standing with the Association. "Good Standing" shall be defined as: no financial obligation past due over 90 days owed to the Association, no unresolved covenant violations of the Community Standards and not a party to litigation with claims alleged against the Association.

Neighborhoods, for the purposes of this policy, are defined as Neighborhood voting blocks established by the Ranch Association Board of Directors.

106.4 Scope: This policy provides direction regarding processes and expectations associated with the NVM program.

106.5 Responsibility/Authority/Delegation: The Ranch Association Board of Directors delegates some of its responsibilities to the CAO/COO, such as the management of the NVM program.

106.6 NVM Roles and Responsibilities:

106.6.a: Neighborhood Voting Members represent neighborhood members who elected them to make voting decisions in their best judgement. They are the primary connection to their neighborhood members and, by their responsibility to select members of the Ranch Association Board of Directors, they hold an important role at DC Ranch.

106.6.b: The primary duties of an NVM are to represent its Neighborhood as defined by the Board of Directors to 1) elect-Ranch Association Board of Directors, 2) vote in all Association matters requiring a membership vote, 3) serve as chair of its Neighborhood Committee, should one be created under Article V of the Bylaws, 4) act as a liaison between the Board of Directors and its constituents on matters of importance to the Neighborhood and 5) provide a quorum of members for the annual meeting.

106.6.c: NVMs cast all allocated votes for director candidates on the ballot. NVMs are encouraged to seek input on Board of Directors candidates from their Neighborhood members and should cast their votes for the candidate/candidates that the NVM believes would provide the best leadership for the Association. Each lot represents one vote; each vote is counted in each voting block which is determined by the Board of Directors.

106.6.d: Cumulative voting is prohibited (Bylaws 3.3(b)). Cumulative voting is defined as a system of voting in an election in which each voter is allowed as many votes as there are candidates and may give all to one candidate or varying numbers to several candidates.

Example:

- 30 members in Neighborhood Voting Block
- 3 open board positions on ballot
- 5 candidates running for the board

Votes Cast	Permitted
18 votes each for 5 candidates for a total of 90 votes	Yes
15 votes for 2 candidates and 30 votes for 2 candidates for a total of 90 votes	Yes
30 votes for 3 candidates for a total of 90 votes	Yes
45 votes for 2 candidates for a total of 90 votes	No
90 votes for 1 candidate	No

106.6.e: NVMs and alternate NVMs are encouraged to attend Association Board meetings and communicate meeting highlights to the neighborhood they represent.

106.6.f: NVMs will receive an e-mailed copy of all approved board meeting minutes and are encouraged to forward them to the neighborhood members they represent in a timely manner.

106.6.g: NVMs keep their neighborhood informed of Association concerns, issues and/or positive comments regarding their neighborhood.

106.6.h: NVMs communicate directly with the Association's management team and Board of Directors with meaningful feedback and advice from their neighborhood members regarding association related matters.

106.6.i: NVMs shall be knowledgeable about the Association's procedures, policies and processes.

106.6.j: NVMs should maintain a basic understanding of the community's governance structure, e.g., Community Council and the Covenant Commission, and be familiar with the Association's policies and current business.

106.6.k: NVMs make themselves available as a resource to the Community Council and to the Covenant Commission for all matters requiring communication to and from the Neighborhood members they represent, e.g. surveys, special initiatives, etc.

106.6.l: NVMs participate in focus groups, when possible, organized by the Association Board of Directors, management staff, Community Council or the Covenant Commission to solicit advice and recommendations on Board of Directors proposals, prior to Board of Directors action being taken.

106.6.m: NVMs are to encourage participation by Members they represent, in Association and Community Council activities, meetings, and programs.

106.6.n: NVMs are encouraged to promote neighborhood events, such as "neighborhood get-togethers," picnics or other neighborhood building activities, and to deliver welcome baskets to new members, when available.

106.6.o: NVMs that are not part of a sub-association are to form a Neighborhood Committee if an issue arises that is specific to the neighborhood it represents and requires the input and vote of the members of that neighborhood (Board of Directors Policy 107).

106.6.p: In the event a member contacts their NVM about a concern that can and should be addressed by the Association, the NVM shall communicate with the Board of Directors or management team clearly defining the situation and desired outcome and shall report back to the member on the result of communication.

106.7 Preparation and Training: All NVMs and Alternate NVMs, regardless of how many years they may have served as an NVM, are encouraged to attend an annual training session for NVMs, normally scheduled during the third week of January.

106.8 NVMs and Alternate NVMs:

106.8.a: There are 44 NVM neighborhood voting-blocks allocated by the Board of Directors. The 44 NVM neighborhood voting-blocks are provided on a community map labeled Exhibit 1. The Board of Directors reserves the right to adjust the total NVM voting-block count.

106.8.b: NVMs and Alternate NVMs shall serve a term of one year until the next annual election (CC&Rs 6.4.b (a)). Said term shall run from January 1 through December 31.

106.8.c: NVMs and Alternate NVMs for the same neighborhood cannot be related (spouse, life partner, mother, father, sister, brother, child, in-law) and cannot be co-owners of any property within that neighborhood.

106.8.d: NVMs and Alternate NVM shall not be related (spouse, life partner, mother, father, sister, brother, child, in-law) to a member of the Association Board of Directors.

106.8.e: NVM's shall not vote for themselves in an Association Board of Directors election for a position on the Board of Directors. If an NVM is a candidate for the Board, the Alternate NVM shall cast the applicable votes. If there is not an Alternate NVM, each member of each lot in the neighborhood voting block will vote on their own behalf.

106.8.f: Whenever an NVM is simultaneously a Sub-association Board Member for the same NVM community and chooses to continue as a Sub-association Board Member, an NVM special election must be held within 21 days if a single resident or more would like to be the NVM in that corresponding neighborhood. To trigger this special election, a resident must contact the Association that they would like to be on the ballot for the special election. The current NVM may not run in the special election.

106.8.g: A Ranch Association Director cannot concurrently serve as an NVM (Board of Directors resolution dated May 5, 2014).

106.8.h: Candidate Self Nomination Forms shall be posted on DCRanch.com and available upon request at the Ranch Offices no later than October 1.

106.8.i: Candidate's Self Nomination Forms shall be submitted to the Ranch Office no later than 5 p.m. on the first Monday of November. Forms may be submitted by e-mail, regular mail or in person.

106.8.j: NVM ballots shall be electronically sent to each Member no later than the last week of November each year. Write-in candidates are permitted on the ballot.

106.8.k: Completed NVM ballots must be received by 5 p.m. MST at the Ranch Offices on the due date. The due date and time will be printed on the ballot. Ballots may be submitted by e-mail, regular mail or in person to Ranch Offices.

106.8.l: The candidate that receives the greatest number of votes from candidate's neighborhood voting-block shall be elected as the NVM, and the candidate receiving the next greatest number of votes shall be elected as the Alternate Voting Member.

106.8.m: Elected NVMs and Alternate NVMs shall be announced at DCRanch.com prior to December 31 and shall be listed in the *Ranch News*.

106.8.n: In the event where there is no NVM or Alternate NVM in place, an NVM election can take place at any time of the year to fill the vacancy. If there is a member who volunteers to serve as an NVM, an election will take place in that neighborhood's voting-block.

106.8.o: NVMs and Alternate NVM can be removed from office, with or without cause, upon the vote or written petition of owners of a majority of the total number of units owned by Members in the Neighborhood which the NVM represents (CC&Rs 6.4.b).

106.8.p: Each NVM from each Neighborhood will be encouraged to sign the Policy 103-Ethics and Harassment Policy for each year in which they serve by January 15.

106.8.q: Capitalized words herein shall have the definitions set forth in the Association governing documents.

Approved by:

Effective Date:

Board President or Secretary



**DC RANCH ASSOCIATION
POLICY 208
COLLECTIONS POLICY**

Date of Adoption: September 6, 2019

Effective Date: September 6, 2019

Last Revised: October 30, 2025

208.1 Purpose: The purpose of this Collection Policy ("Policy") is to set forth the procedures and processes associated with collecting owner assessments and fees due and payable to DC Ranch. This policy will assist the Community Council and Ranch Association Boards of Directors and staff in their efforts to protect the community's fiscal assets by outlining procedures for collecting monetary obligations due and payable to DC Ranch by owners. This Policy supersedes and replaces all prior Collection Policies.

208.2 Scope: Monthly assessments are due and payable in full on the first day of each month. All other assessments (i.e., special assessments and specific assessments) are due and payable as determined by the Boards of Directors. All other charges including, but not limited to, late fees, interest, attorneys' fees and collection costs and fines are due as incurred. All assessments, late fees, interest, attorneys' fees and collections costs due and payable to the DC Ranch, hereinafter "dues," are subject to this policy.

208.3 Responsibility/Authority: While the Community Council has the obligation to collect assessments on behalf of the Ranch Association (per Council CC&Rs/9.14), the collection role has been delegated to the Ranch Association, which cooperates with the Community Council in levying and collecting dues and assessments from the owners (per Ranch CC&Rs 7.12; Bylaws/3.17(b)).

208.4 Progression of Collection Efforts: The efforts to collect dues are to be completed as described in the following sections. Collection efforts may deviate from this Policy if recommended by legal counsel and authorized by the Boards of Directors. If a consensus cannot be reached, the Community Council Board of Directors shall prevail. Applicable attorneys' fees and costs relating to the collection efforts of an account will be applied to that owner's account at each step and at time of action.

30 Days Past Due: A rebill notice shall be sent to all owners whose accounts are deemed to be delinquent by thirty (30) days. The \$15 rebill fee will be charged to the owner's account.

60 Days Past Due: A one-time late fee of \$15 and a \$15 rebill fee (\$30 total) shall be charged to the owner's account that is delinquent by sixty (60) days. In addition, a letter will be provided to all owners whose accounts are deemed to be at least sixty (60) days delinquent

notifying the owner(s) that a "Notice of Claim of Lien" may be recorded if the account is not paid in full within thirty (30) days from the date of the notice in compliance with applicable law.

90 Days Past Due: At such time an owner's account is deemed to be at least ninety (90) days delinquent, the account may be transferred to legal counsel for further collection efforts, including but not limited to, filing a foreclosure lawsuit. Prior to referring the account to legal counsel, the following notice shall be provided to the owner via certified mail, return receipt requested, at least thirty (30) days before the file is turned over:

Your account is delinquent. If you do not bring your account current or make arrangements that are approved by the association to bring your account current within thirty days after the date of this notice, your account will be turned over for further collection proceedings. Such collection proceedings could include bringing a foreclosure action against your property. The notice shall be in boldfaced type and shall also include contact information for the management representative that the owner may contact to discuss payment.

Legal counsel shall record a "Notice of Claim of Lien" with Maricopa County for all owners whose accounts are deemed to be delinquent by ninety (90) days. All applicable filing fees and attorneys' fees to record the lien will be assessed to the owner and the owner's lot. In addition to the recording of the "Notice of Claim Lien," the owner's privileges such as voting and rights to use the recreational amenities will be suspended.

208.5 Allocations of Payments Received: Unless an owner otherwise directs or as otherwise authorized by law, payments received will be applied in the following order: Unpaid assessments; due but not delinquent assessments; late charges; collection fees and costs; attorney's fees and costs if awarded by a court; other unpaid fees, charges and monetary penalties, or interest and late charges on any of those amounts.

208.6 Payment Plans: Reasonable payment plans will be considered at the discretion of the Ranch Association Board of Directors.

Approved by:

Effective Date:

Board President or Secretary
