

# DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION

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## 2022 - 2023 BUDGET PACKAGE

Dear Homeowner:

The Association is required to publish a budget prior to the fiscal year end and disclose other applicable items. The 2022-2023 assessment of \$670.00 per unit, per month effective July 1, 2022, was approved by the Board of Directors. A copy of the budget is enclosed with this mailing for your review. It is important to note this is a budget and not a financial statement. Items listed may cost fluctuating on the services and actual expenses.

### **Requirement of California Civil Code 5300(b)(1)**

The Board of Directors is currently funding the reserves as part of the regular assessments per the budget. The Board of Directors does not, currently, anticipate the need to apply a special assessment to repair, replace, or restore any major component or to provide adequate reserves. The Board reserves the right to approve a special assessment for unplanned major expenses in the upcoming year. **Requirement of California Civil Code 5300(b)(2)(3)(4)(5)(6)(7), 5550(b)(5), 5565, 5570(4).**

Association assessments are due and payable on the first day of the month and are delinquent by California State Law, if the Association has not received payment by the (15<sup>th</sup>) fifteenth of the month. A coupon book will be mailed to you in before the end of June. A courtesy statement will be sent to each Homeowner who missed their monthly assessment due date. Homeowners are obligated by law to tender payment of the assessment in a timely manner, even if they do not receive a courtesy statement or not received by the Homeowner's requested method. The Board of Directors Resolution regarding the Collection Policy for your Association is enclosed along with a special notice as required by AB 2289. **Requirement of California Civil Code 5730.**

As required by AB 1836, a copy of the Alternative Dispute Resolution Measure and Procedures (ADR) and the Internal Dispute Resolution (IDR) process which requires that certain types of disputes between Associations and the Membership provide for an independent forum to resolve the dispute before filing of a lawsuit by any party, is enclosed. **Requirement of California Civil Code 5920, 5965.**

The California Civil Code also requires the Association to prepare and distribute summaries of certain insurance policies carried by the Association. A summary of the Association's Property and General Liability policies are enclosed. **Requirement of California Civil Code 5300(b)(9).**

Condominium associations must disclose on an annual basis their status as a Federal Housing Administration (FHA) approved and a Department of Veterans Affairs (VA) approved condominium project. **Requirement of California Civil Code 5300(b)(10)-(11).**

Per Civil Code 4765, the Association is annually required to notify its membership that any exterior addition or alteration, including patio improvement or other structures and interior modifications as outlined in the Governing Documents, require prior written approval from the Architectural Committee. Owners must submit a written application identifying the proposed change(s). The architectural committee will approve or disapprove the application within 45 days, subject to appropriate conditions required by the Committee and pursuant to the Association's governing documents. **Requirement of California Civil Code 4765.**

The Owner may seek reconsideration by the Board of Directors (in an open meeting held in accordance with Civil Code Section 4900) of the decision by the Architectural Committee. The Board will respond to the request for reconsideration within 30 days after receipt of such request.

The Association is annually required to disclose a copy of Monetary Penalties and Member Notification. Please refer to the enclosed Violation and Fine Procedure included in the Rules and Regulations. **Requirement of Civil Code 5855(a).**

Members of the Association are hereby advised that in addition to the information required by law, minutes or summary minutes of the meetings of the Board of Directors are available to any Member upon written request and with the submission of payment for the cost of distribution. **Requirement of California Civil Code 4950.**

You have a right to designate a secondary address for the purpose of collection notices. Your request must be in writing and must be mailed to the Association in a manner that shall indicate the Association received your request. **Requirement of California Civil Code 5310(a)(2), 4040(b).**

There are no Receipt and Disposition of Funds Received for Construction Defects to be disclosed. **Requirement of California Civil Code 6100, 6150.**

There are no outstanding loans with an original term of one (1) year to be disclosed. **Requirement of California Civil Code 5300(b)(8).**

The Association has designated the common area bulletin board outside of the HOA office door as the posting location for general notices. **Requirement of Civil Code 5310(a)(3), 4045(a)(3).**

All members are eligible to receive general notice by individual delivery. Your request must be in writing and must be mailed to the Association in a manner that shall indicate the Association received your request. **Requirement of Civil Code 5310(a)(4), 4045(b).**

The Association's Designated Recipient for receipt of official communications is noted below. **Requirement of Civil Code 5310(a)(1), 4035.** The mailing address for overnight payment of assessments is noted below. **Requirement of Civil Code 5310(a)(11), 5655.**

Deep Canyon Tennis Club Owners Association  
c/o Vintage Group  
Attn: Barbara Vanscoder  
73-120 Frank Feltrop Circle  
Palm Desert CA 92260

In accordance with Business & Professions Code 11504, the current manager for the community is certified Community Association Manager, Barbara Vanscoder, who has 38 years of HOA management experience. The primary office address of Mrs. Vanscoder is at Deep Canyon Tennis Club, 73-120 Frank Feltrop Circle, Palm Desert CA 92260.

The Association can never be crime-free. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes, and for employees to commit crimes.

As a result, the Association cannot guarantee your security. You should not rely on the Association to protect you from loss or harm. You should provide for your own security by keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; carrying insurance; etc. If you see suspicious activity, you should contact the police department and report the activity. The gate personnel cannot help or report as they are not the observer.

It is suggested that you keep these reports with all other documents pertaining to your home, as you may be required to show it to any prospective buyer of your property.

If you have any questions, please contact the community manager via email at [barbarav@vintagegroupe.com](mailto:barbarav@vintagegroupe.com) or by phone (760) 346-0845.

Sincerely,  
**Barbara Vanscoder**  
On behalf of the Board of Directors



# Deep Canyon Tennis Club Owners Association

## Year: 2022 - 2023

### APPROVED BUDGET

<b>INCOME</b>		
	<b>APPROVED</b>	<b>PER UNIT PER MONTH</b>
4010 - Assessment-Members	\$2,814,000.00	\$670.00
4025 - Transfer Fees	\$0.00	\$0.00
4040 - Late/Finance Fees	\$31.00	\$0.01
4065 - Delinquencies	\$420.00	\$0.10
4070 - Interest	\$5,048.00	\$1.20
4150 - Facility Fees	\$30,000.00	\$7.14
4160 - Owner Rental Fees	\$10,000.00	\$2.38
4170 - Daily Guest Fees	\$1,100.00	\$0.26
4400 - Miscellaneous Income	\$9,629.00	\$2.29
<b>INCOME</b>	<b>\$2,870,228.00</b>	<b>\$683.39</b>

<b>EXPENSES</b>		
	<b>APPROVED</b>	<b>PER UNIT PER MONTH</b>
5010 - Electric	\$17,000.00	\$4.05
5014 - Phone	\$9,000.00	\$2.14
5018 - Residential Water	\$38,000.00	\$9.05
5020 - Refuse/Disposal	\$46,000.00	\$10.95
5025 - Cable	\$237,000.00	\$56.43
<b>UTILITIES</b>	<b>\$347,000.00</b>	<b>\$82.62</b>
5016 - Irrigation Water	\$80,000.00	\$19.05
6010 - Landscape Contract	\$589,500.00	\$140.36
6011 - Landscape Consultant	\$6,600.00	\$1.57
6015 - Landscape Irrigation	\$20,000.00	\$4.76
6020 - Landscape Extra	\$40,000.00	\$9.52
6025 - Tree Trimming	\$40,000.00	\$9.52
<b>LANDSCAPE</b>	<b>\$776,100.00</b>	<b>\$184.79</b>
5011 - Electricity - Pool	\$60,000.00	\$14.29
5012 - Gas	\$28,000.00	\$6.67
6213 - Pool Contract	\$31,000.00	\$7.38
6215 - Pool Repairs	\$25,000.00	\$5.95
6220 - Pool Permits	\$6,500.00	\$1.55
<b>POOLS</b>	<b>\$150,500.00</b>	<b>\$35.83</b>
6411 - Security Services	\$168,000.00	\$40.00
6412 - Security Supplies	\$1,000.00	\$0.24
<b>SECURITY</b>	<b>\$169,000.00</b>	<b>\$40.24</b>

# Deep Canyon Tennis Club Owners Association

## Year: 2022 - 2023

### APPROVED BUDGET

5015 - Telephone - Maintenance Yard	\$500.00	\$0.12
6410 - Pest Control	\$14,000.00	\$3.33
6415 - Pest Controls - Extras	\$1,350.00	\$0.32
6610 - Building Maintenance	\$53,000.00	\$12.62
6611 - Janitorial & Supplies	\$2,400.00	\$0.57
6625 - Vehicle Maintenance/Fuel	\$7,000.00	\$1.67
6910 - Miscellaneous Contingency	\$60,000.00	\$14.29
<b>MAINTENANCE</b>	<b>\$138,250.00</b>	<b>\$32.92</b>
7010 - Professional Management	\$603,000.00	\$143.57
7015 - Office Expense	\$5,000.00	\$1.19
7016 - Postage	\$1,500.00	\$0.36
7018 - Printing	\$2,500.00	\$0.60
7030 - Audit Expense/Tax Preparation	\$4,750.00	\$1.13
7034 - California Income Taxes	\$1,000.00	\$0.24
7040 - Insurance	\$83,000.00	\$19.76
7042 - Insurance - Earthquake	\$46,000.00	\$10.95
7045 - Leagl	\$1,500.00	\$0.36
7055 - Reserve Study	\$2,600.00	\$0.62
7070 - Sunday Social Expense	\$5,000.00	\$1.19
7085 - Equipment Leased	\$2,961.00	\$0.71
7096 - Maintenance Salaries (Less Reserve Salaries)	-\$20,000.00	-\$4.76
<b>ADMINISTRATIVE</b>	<b>\$738,811.00</b>	<b>\$175.91</b>
5013 - Telephone - Pro Shop	\$2,000.00	\$0.48
7300 - Professional Fees - Tennis	\$63,324.00	\$15.08
7315 - Tennis - Miscellaneous	\$1,290.00	\$0.31
7319 - Professional Fees - Pickleball	\$15,000.00	\$3.57
7320 - Pickleball Supplies	\$441.00	\$0.11
7325 - Gym Expense	\$1,740.00	\$0.41
<b>COURTS</b>	<b>\$83,795.00</b>	<b>\$19.95</b>
		\$0.00
9000 - Reserve Allocation	\$461,724.00	\$109.93
9001 - Reserve Interest	\$5,048.00	\$1.20
<b>RESERVE</b>	<b>\$466,772.00</b>	<b>\$111.14</b>

**TOTAL MONTHLY ASSESSMENT EFFECTIVE JULY 1, 2022    \$670.00**

Income Accounts Total:	\$2,870,228.00
Expense Accounts Total:	\$2,870,228.00
Difference:	\$0.00



April 18, 2022

To DCTC Homeowners,

California law requires the Board to distribute the attached reserve study prepared by our external consultants, SCT Reserve Consultants Inc. Every three years a detailed analysis is prepared by SCT and is then updated in each of the subsequent two years. This year’s study is an update and is significantly out of date due to changing circumstances. The year-end balances estimated by SCT are contained in the attached study.

In March and April 2022, the DCTC Reserve Committee reviewed and updated a comprehensive list of over 200 anticipated capital expenses for HOA and residential buildings, pools, courts, grounds, roads, etc. The Committee updated the report prepared by SCT to reflect actual reserve contributions, the latest available project cost estimates, and the expected timing of these projects. This report is summarized below.

Year	Cash Outflows	Annual Reserve Contributions	Interest	Calculated End of Year Balance
As of 3/31/2022				\$1,464,059.00
6/30/2022	\$22,606.00	\$134,127.00	\$844.00	\$1,576,424.00
6/30/2023	\$1,003,703.00	\$521,724.00	\$2,850.00	\$1,097,295.00
6/30/2024	\$476,674.00	\$536,508.00	\$2,030.00	\$1,159,159.00
6/30/2025	\$510,623.00	\$536,508.00	\$2,139.00	\$1,187,183.00
6/30/2026	\$791,400.00	\$536,508.00	\$2,189.00	\$934,480.00
6/30/2027	\$444,030.00	\$536,508.00	\$1,743.00	\$1,028,701.00
6/30/2028	\$521,999.00	\$536,508.00	\$1,909.00	\$1,045,119.00
6/30/2029	\$529,512.00	\$536,508.00	\$1,938.00	\$1,054,053.00
6/30/2030	\$712,422.00	\$536,508.00	\$1,954.00	\$880,093.00
6/30/2031	\$294,683.00	\$536,508.00	\$1,646.00	\$1,123,564.00
6/30/2032	<u>\$651,696.00</u>	<u>\$536,508.00</u>	<u>\$2,076.00</u>	\$1,010,452.00
	<u>\$5,959,348.00</u>	<u>\$5,484,423.00</u>	<u>\$21,318.00</u>	

Unanticipated projects, future code or regulatory changes, significant inflationary cost increases and other unpredictable factors could impact the Reserve Fund and may require an increase in contributions. However, based on the best currently available data the Reserve Committee feels that reserves are, and will remain, adequate to fund anticipated capital projects.

# Reserve Summary

(As required by California Civil Code Section 5565)

## DEEP CANYON TENNIS CLUB HOMEOWNERS ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within DEEP CANYON TENNIS CLUB HOMEOWNERS ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 0.47% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of June 30, 2022, the estimated ending reserve fund balance is \$1,603,000 and the estimated current replacement cost is \$6,839,484 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$12,226,961, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 40.82%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$3,926,924.35 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$6,639.78. This is calculated by subtracting the ending balance (\$1,603,000) from the 100% funded figure (\$3,926,924.35), then divided by the number of ownership interests (350). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a monthly amount of \$38,477.00 starting in 2023 (\$109.93 per unit per month for each of the 350 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 4.33% starting in 2024 for 29 years. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding. This report includes the following non-recurring expenditures: \$145,000 for CVWD TURF REMOVAL MANDATE in 2023 for 1 year and \$127,300 in 2024 for 13 years.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: July 1, 2022 through June 30, 2023

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Jul 01, 2022	Reserve Allocation	Additional Revenue	Interest
Asphalt Roadway	2 to 32	0 to 26	\$1,835,756	\$801,838	\$230,959	\$0	\$1,165
Buildings, Administration	5 to 40	1 to 12	\$64,750	\$7,020	\$2,022	\$0	\$10
Buildings, Clubhouse	5 to 40	2 to 37	\$336,317	\$13,138	\$3,784	\$0	\$19
Buildings, Clubhouse, Gym	6 to 40	1 to 12	\$78,600	\$10,092	\$2,907	\$0	\$15
Buildings, Gatehouse	5 to 40	3 to 22	\$47,972	\$4,412	\$1,271	\$0	\$6
Buildings, Maintenance	10 to 30	1 to 17	\$58,800	\$7,173	\$2,066	\$0	\$10
Courts	4 to 50	0 to 32	\$327,835	\$47,606	\$13,712	\$0	\$69
Irrigation	3 to 50	0 to 49	\$127,050	\$19,352	\$5,574	\$0	\$28
Landscape	1 to 1	0 to 0	\$9,000	\$8,476	\$2,441	\$0	\$12
Paint	2 to 30	0 to 27	\$717,846	\$156,182	\$44,986	\$0	\$227
Pools & Spas	1 to 50	0 to 44	\$682,407	\$73,460	\$21,159	\$0	\$107
Residences, Maintenance	1 to 35	0 to 24	\$248,050	\$100,209	\$28,864	\$0	\$146
Residences, Roof	14 to 42	1 to 30	\$2,204,500	\$230,060	\$66,266	\$0	\$334
Site	10 to 50	1 to 32	\$100,600	\$11,535	\$3,322	\$0	\$17
Non-recurring Exp				\$112,448	\$32,389	\$0	\$163
<b>Totals:</b>			<b>\$6,839,484</b>	<b>\$1,603,000</b>	<b>\$461,724</b>	<b>\$0</b>	<b>\$2,329</b>

The complete reserve study is available by request from the Association.





# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending June 30, 2023

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is **\$670.00** per month, of which approximately **\$109.93** is allocated to reserves, monthly.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes   X        No   X  

**Yes**, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

**No**, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

*\*Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(4) If the answer to (3) is No, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the Board or the members?

Approximate date assessment(s) will be due:	Amount per ownership interest per month:
<b>4.33% starting in 2024 for 29 years</b>	<b>(Current amount) X (the increases)</b>

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$3,122,101.56**, as of **June 30, 2023**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$669,416.51**, resulting in reserves being **21.44%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$1,397,636**. (See explanation below).

**Explanation:** *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*



# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending June 30, 2023

(continued)

7) **See below: 30-Year Reserve Funding Plan Table...** Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see “100% Funded” column below), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see “Cash Flow Balance with Funding Plan” column below), leaving the reserve at (see “Percent Funded” column below) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see “Cash Flow Balance with Funding Plan” column below), leaving the reserve at (see “Percent Funded” column below) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **0.47%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

**30-Year Reserve Funding Plan Table**

Year	End of Year			Revenue			Expenditures Components, Taxes, Deferred Exp
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	
2022	\$3,926,924	\$1,603,000	40.82%				
2023	\$3,122,102	\$669,417	21.44%	\$464,053	\$109.93	0.00%	\$1,397,636
2024	\$3,146,628	\$585,356	18.60%	\$483,442	\$114.69	4.33%	\$567,502
2025	\$3,198,520	\$534,595	16.71%	\$504,011	\$119.66	4.33%	\$554,772
2026	\$3,077,127	\$299,023	9.72%	\$524,805	\$124.84	4.33%	\$760,378
2027	\$3,163,445	\$297,414	9.40%	\$547,436	\$130.25	4.33%	\$549,045
2028	\$3,328,195	\$392,779	11.80%	\$571,393	\$135.89	4.33%	\$476,027
2029	\$3,451,911	\$453,606	13.14%	\$596,308	\$141.77	4.33%	\$535,482
2030	\$3,463,370	\$379,921	10.97%	\$621,817	\$147.91	4.33%	\$695,502
2031	\$3,598,706	\$479,609	13.33%	\$649,005	\$154.31	4.33%	\$549,317
2032	\$3,698,275	\$527,348	14.26%	\$677,223	\$161.00	4.33%	\$629,484
2033	\$3,844,422	\$659,918	17.17%	\$707,015	\$167.97	4.33%	\$574,445
2034	\$3,895,542	\$655,006	16.81%	\$737,500	\$175.24	4.33%	\$742,412
2035	\$4,053,281	\$842,488	20.79%	\$770,142	\$182.83	4.33%	\$582,660
2036	\$4,255,509	\$1,096,844	25.77%	\$804,499	\$190.74	4.33%	\$550,143
2037	\$4,415,499	\$1,439,411	32.60%	\$840,702	\$199.00	4.33%	\$498,134
2038	\$4,287,224	\$1,300,025	30.32%	\$876,256	\$207.62	4.33%	\$1,015,642
2039	\$4,355,680	\$1,564,767	35.92%	\$915,095	\$216.61	4.33%	\$650,354
2040	\$4,494,247	\$1,903,956	42.36%	\$955,979	\$225.99	4.33%	\$616,790
2041	\$4,656,233	\$2,326,965	49.98%	\$998,956	\$235.78	4.33%	\$575,947
2042	\$4,568,526	\$2,331,084	51.02%	\$1,041,844	\$245.98	4.33%	\$1,037,725
2043	\$4,817,256	\$2,934,316	60.91%	\$1,089,193	\$256.64	4.33%	\$485,961
2044	\$4,991,061	\$3,427,981	68.68%	\$1,138,101	\$267.75	4.33%	\$644,436
2045	\$4,897,100	\$3,360,040	68.61%	\$1,186,480	\$279.34	4.33%	\$1,254,421
2046	\$5,327,844	\$4,265,362	80.06%	\$1,241,227	\$291.44	4.33%	\$335,904
2047	\$5,337,417	\$4,642,435	86.98%	\$1,295,985	\$304.06	4.33%	\$918,913
2048	\$5,638,932	\$5,452,917	96.70%	\$1,354,877	\$317.22	4.33%	\$544,395
2049	\$4,865,893	\$3,960,479	81.39%	\$1,405,896	\$330.96	4.33%	\$2,898,335
2050	\$4,908,387	\$4,227,842	86.14%	\$1,466,864	\$345.29	4.33%	\$1,199,501
2051	\$4,963,881	\$4,624,984	93.17%	\$1,531,360	\$360.24	4.33%	\$1,134,217
2052	\$5,173,179	\$5,214,856	100.81%	\$1,599,460	\$375.84	4.33%	\$1,009,589
<b>30-Year Sum:</b>				<b>\$27,596,922</b>			<b>\$23,985,067</b>



## Summary

In accordance with our proposal, 2006-017, SCT Reserve Consultants, Inc. is pleased to provide this ***Level III Reserve Study Financial Update Report for DEEP CANYON TENNIS CLUB HOMEOWNERS ASSOCIATION***. Our study was performed in accordance with the Davis-Stirling Common Interest Development Act, specifically §5550, of the California Civil Code. This report included a site inspection on April 9, 2020. This *condominium* common interest development (CID) is located at 73120 Frank Feltrop Drive, Palm Desert, California. We are using an inception date for the components of July 1, 1976. ***This study is for July 1, 2022 through June 30, 2023, the Association's fiscal year.***

In general, reserve funds are funds set aside from collected association fees paid by owners of a common interest development. These funds earn interest and are disbursed when deemed necessary by the Board of Directors. The purpose of a reserve study is to determine how much money should exist in a reserve fund at a given point in time or to project required future contributions and expenditure amounts so that sufficient reserve funds are available when needed. Our reserve study is generated using proprietary SCT software and a combination of local industry standards and national average replacement costs.

The SCT software utilizes the weighted average life (WAL) of the reserve components. The future cost method for the WAL is calculated by using the current replacement cost of each component, as of the analysis date, and the number of years until each reserve component is scheduled to be replaced. This determines the monthly reserve contributions needed and calculates the future reserve balances.

A 30-year “Cash Flow and Percent Funded Projection” analysis and “Graph” are produced to verify and define the relationship of the Cash Flow (annual beginning balance) with respect to the 100% funded amount. Ideally, the Cash Flow line of the graph should run parallel to and below the “Percent Funded” line of the graph, see funding goals.

The following study has been prepared with several assumed factors taken into account: 3.00% inflation rate; a 0.47% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

Typically, any component that has a life cycle (full life) of less than two years should be budgeted and paid for through normal operating or property maintenance funds and is not included as part of this study.

**The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$6,639.78.** This is calculated by subtracting the ending balance (\$1,603,000) from the 100% funded figure (\$3,926,924.35), then divided by the number of ownership interests (350). There is currently no requirement to be fully funded.



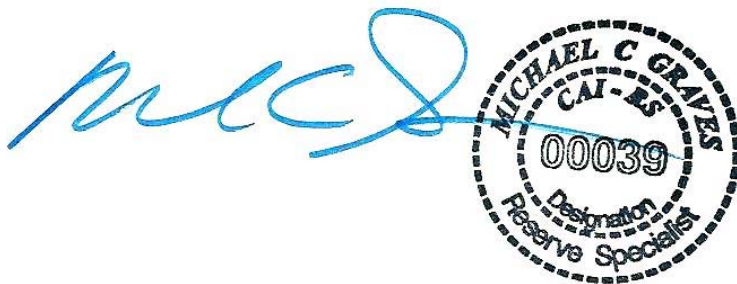
## Summary (continued)

As of July 1, 2022, the estimated reserve fund balance is \$1,603,000 and the estimated current replacement cost is \$6,839,484 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$12,226,961, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for DEEP CANYON TENNIS CLUB HOMEOWNERS ASSOCIATION is 23.44%*.

The Association's level of funding for the fiscal year (July 1, 2022 through June 30, 2023) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **21.44%, and is referred to as Percent Funded**. The Association would be 100.00% funded if there were \$3,122,101.56 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. ***It is our understanding the Board of Directors will allocate a monthly amount of \$38,477.00 starting in 2023 (\$109.93 per unit per month for each of the 350 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 4.33% starting in 2024 for 29 years.*** The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding. **This report includes the following non-recurring expenditures: \$145,000 for CVWD TURF REMOVAL MANDATE starting in 2023 for 1 year and \$127,300 in 2024 for 13 years.**

Sincerely,



The image shows a handwritten signature in blue ink that reads "mcd". To the right of the signature is a circular professional seal. The seal has a dashed outer border and contains the following text: "MICHAEL C. GRAVES" at the top, "CAI - RS" in the middle, "00039" in the center, and "Designation Reserve Specialist" at the bottom.

Michael C. Graves, R.S. #00039  
SCT Reserve Consultants, Inc.



INSURANCE NOTIFICATION – CALIFORNIA CIVIL CODE 5300

**Deep Canyon Tennis Club HOA  
C/O Vintage Group**

<b>1. PROPERTY INSURANCE</b>	
Name of Insurer	Sutton National
Policy Limits	\$86,750,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	\$10,000 AOP/\$50,000 Water
<b>2. GENERAL LIABILITY</b>	
Name of Insurer	Sutton National
Policy Limits	\$1,000,000/\$2,000,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	
<b>3. DIRECTORS AND OFFICERS</b>	
Name of Insurer	Philadelphia Insurance
Policy Limits	\$1,000,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	\$5,000



<b>4. WORKERS COMPENSATION INSURANCE</b>	
Name of Insurer	Hanover Insurance
Policy Limits	\$1,000,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	
<b>5. UMBRELLA</b>	
Name of Insurer	Fireman's Fund
Policy Limits	\$5,000,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	
<b>6. FIDELITY BOND</b>	
Name of Insurer	PMA Insurance
Policy Limits	\$2,250,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	\$1,000



7. EARTHQUAKE INSURANCE	
Name of Insurer	Great Lakes Insurance
Policy Limits	\$5,000,000
Policy Begins	05/01/2022
Policy Ends	05/01/2023
Deductible	20% of TIV Per Unit of Insurance, Minimum \$25,000 Per Occurrence

**This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.**

**Golden Alliance Insurance  
30495 Canwood St. Ste 202, Agoura Hills, CA 91301  
Phone 1818)584-8044  
Fax 1818)292-8963  
www.GoldenAllianceInsurance.com  
License# 0G71731**

# DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION

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**TO: ALL MEMBERS OF DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION**  
**FROM: BOARD OF DIRECTORS**  
**DATE: MAY 16, 2022**  
**RE: ANNUAL POLICY STATEMENT**

Dear Homeowner:

In accordance with the Annual Policy Statement requirements of Civil Code §5310 of the Davis-Stirling Common Interest Development Act, please find below and enclosed the following documents and information:

**Person Designated to Receive Official Communications to the Association**

Pursuant to Civil Code §4035, any document to be delivered to the Association by a homeowner pursuant to the Davis-Stirling Act must be delivered to:

Deep Canyon Tennis Club Owners Association  
C/O Vintage Group  
24422 Avenida de la Carlota, Suite 450  
Laguna Hills, CA 92653

In addition to other means of delivery provided for in the Davis-Stirling Act, the Association will accept documents by the following means:

Email: [barbarav@vintagegroupre.com](mailto:barbarav@vintagegroupre.com)  
Personal Delivery: 73-120 Frank Feltrop Circle  
Palm Desert CA 92260

**Right to Receive Association Notices to Two (2) Addresses**

Pursuant to Civil Code §4040(b), a homeowner may submit a request to have certain notices sent up to two (2) different specified addresses. That written request should be delivered to the person identified above to receive official communications to the Association.

Upon receipt of a written request by a homeowner to add a second address for delivery of individual notices to the homeowner for delivery of notices of the following types, the Association will deliver an additional copy of those notices to the secondary address identified in the request:

- 1) The annual reports to be delivered to the homeowner pursuant to Civil Code §5300 through §5320, including this Annual Policy Statement and the Association's Annual Budget Report.
- 2) The assessment payment and delinquency notices to be delivered to the homeowner pursuant to Civil Code §5650 through §5690, and the notice of default to the homeowner pursuant to Civil Code §5650.

A homeowner may add, change or remove a secondary address at any time, provided however, that the Association will only be required to send notices to a secondary address as of and from the date that the Association receives the written request to do so.



### **Location for the Posting of General Notices**

Notices are posted by the front door of the HOA office and emailed to those owners who have chosen to receive emails.

### **Right to General Notices by Individual Delivery**

Pursuant to Civil Code §4045(b), a homeowner may request to receive general notices by individual delivery. That written request should be delivered to the person identified above to receive official communications to the Association. Upon the Association's receipt of such written request from a homeowner, all general notices to that homeowner given pursuant to Civil Code §4045 shall be delivered to the homeowner by individual delivery in accordance with Civil Code §4040. A homeowner may cancel a prior request for individual delivery of general notices at any time.

### **Right to Receive Copies of Meeting Minutes**

Pursuant to Civil Code §4045(b), the minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes of any meeting of the Association's Board of Directors, other than an executive session meeting, shall be available to all homeowners within thirty (30) days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any homeowner upon request and upon reimbursement to the Association of the Association's costs for making that distribution.

In addition to obtaining copies of Board meeting minutes, homeowners may inspect Board meeting minutes at any reasonable time at the address noted above. To request copies of Board meeting minutes, or schedule an appointment to inspect Board meeting minutes, homeowners should contact the person designated to receive official communications to the Association, as identified above.

### **Statement of Assessment Collection Policies**

Please see the enclosed notice prepared in accordance with Civil Code §5730.

### **Policies and Practices Relating to Delinquent Assessments**

Please see the enclosed document titled "Policy and Procedures for Collection of Delinquent Assessments, Fees, Charges and Costs", which describes the Association's policies and practices in enforcing lien rights and other legal remedies for default in the payment of assessments. This document describes the steps the Association will take if a homeowner does not pay assessments on time and in accordance with the provisions of the Association's governing documents.

### **Discipline Policy and Schedule of Fines**

The Association's Board of Directors has the right and authority to enforce the provisions of the Association's governing documents when a homeowner, or the homeowner's family members, guests or tenants, violate the governing documents. The Board may, after proper notice and an opportunity to be heard before the Board, impose disciplinary measures against a homeowner, as described in the Association's governing documents and subject to applicable law. Please see the enclosed document titled "Fine Policy", which describes the Association's discipline policy for violations of the Association's governing documents, including the schedule of monetary penalties that may be assessed against a homeowner for those violations, in accordance with Civil Code §5850.

### **Dispute Resolution Procedures**

The Davis-Stirling Act provides two procedures for dispute resolution. The purpose of these procedures is to encourage homeowners and the Association to resolve disputes involving violations, or alleged violations,

of the Association's governing documents and/or certain laws without incurring the time and expense involved in a lawsuit.

The first dispute resolution process is Internal Dispute Resolution. This process is an informal process (often referred to as a "meet and confer") to resolve disputes between a homeowner and the Association. The attached document titled "IDR" includes a description of the Association's Internal Dispute Resolution procedures and is being provided by the Association pursuant to Civil Code §5920.

**Requirements for Association Approval of Physical Changes**

The Association's governing documents, specifically the Association's CC&Rs, require that homeowners obtain approval from the Association before making certain physical changes to the common area and/or to their separate interests. A summary of the types of changes that require Association approval and the procedure used to review and approve or disapprove a proposed change are described in the attached document titled "Rules and Regulations", prepared in accordance with Civil Code §4765.

**Mailing Address for Overnight Payment of Assessments**

The mailing address for overnight payment of assessments, noticed pursuant to Civil Code §5655, is:

Deep Canyon Tennis Club Owners' Association  
C/O Vintage Group  
73-120 Frank Feltrop Circle  
Palm Desert CA 92260

**Annual Disclosure of Manager Certification**

Please see the enclosed disclosure prepared in accordance with Business and Professions Code Section 11502.

**FHA/VA Disclosures**

Please see the enclosed disclosure prepared in accordance with Civil Code Section 5300(b)(10)-(11).

Should you have any questions or comments pertaining to the above or enclosed information, please contact Barbara Vanscoder at [barbarav@vintagegroupe.com](mailto:barbarav@vintagegroupe.com) or by phone at 760-346-0845

Sincerely,  
Your Board of Directors

## NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the *Civil Code* indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

### ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the *Civil Code*. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the *Civil Code, inclusive*)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5725 of the *Civil Code*)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the *Civil Code* when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the *Civil Code*)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the *Civil Code*)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the *Civil Code*)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## **PAYMENTS**

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine penalty, late fee, collection cost or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the *Civil Code*. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the *Civil Code*, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the *Civil Code*)

## **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 5665 of the *Civil Code*)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

**Deep Canyon Tennis Club Owners Association**  
Policy and Procedures for Collection of Delinquent Assessments, Fees, Charges and Costs

**POLICY:** Effective November 1, 2015 and pursuant to provisions of Senate Bill 137, the Collection Policy for the collection of Delinquent Assessments, Fees, Charges and Costs is revised and restated as follows:

**Assessments**

Assessments subject to this Policy include the monthly regular assessments and any levied special assessments or lienable monetary penalties.

**Collection Fees and Costs**

The costs of collection of delinquent assessments, including late charges and other costs, and reasonable attorney fees and costs, are included as a charge against a member's assessment account and are included in the amount of any lien recorded against the property and any recovery actions by the Association.

**Delinquency**

The term "delinquency" shall include any delinquent unpaid regular or special assessments, late charges, interest, and costs of collection incurred.

**Foreclosure**

A legal process which results in the sale of the property to satisfy the payment of assessments, fees and costs owed on the account.

**Partial Payments**

If a partial payment is received which is less than the lienable unpaid balance owed on the member's account, including the collection charges, the Association must accept the partial payment. However, the Partial Payment shall not act as a waiver of the Association's right to require payment of all sums.

**Payments**

Payments received after a delinquent account is assigned to the Association's attorney for collection shall be forwarded by the Association directly to the attorney. If the partial payment is accepted, it shall be credited first to outstanding principal balances on the member's account pursuant to California Civil Code 5655 and the remaining unpaid balance shall be subject to this Policy.

**Payment Plans**

The homeowner may request a payment plan. This request must be made within **fifteen (15) days from the postmark date of the prelien notice**. The Board of Directors shall meet with/respond to the homeowner within **forty-five (45) days from the postmark date of the homeowner request**. Payment plans may be approved at the sole discretion of the board of directors based upon the circumstances of each delinquent account.

**Personal Liability**

All assessments, late charges, interest and costs of collection, including attorney fees, are the personal obligation of the Owner of the Property at the time of the assessment or other sums are levied according to Civil Code Section 5650.

**Returned Check or Credit Charges**

The bank charge (currently \$25.00) shall be added to the account of any member whose check or credit charge to the Association is returned dishonored by the member's bank.

**Statements**

Monthly statements are a courtesy to the members and not an invoice for payment. Monthly statements may not reflect any or all collection costs incurred on a delinquent account, including attorney or trustee fees and costs which have been charged to the account.

**Waiver of Charges**

If a member's account becomes delinquent and the Association is required to incur certain charges due to the member's delinquency, the Association's policy is to not waive the delinquent member's payment of these charges. Other Association Members should not have to pay for the collection charges incurred due to an individual member's delinquency.

## PROCEDURE:

**DUE DATE:** Regular Monthly Assessments are **due on the first (1st) day of each month**. All other assessments are due on the date levied, and late charges, costs of collection, attorney fees and costs are due upon the date incurred.

### **15 Days Past Due:**

The account becomes delinquent and a **late charge** equal Ten Percent of monthly Assessment is charged to the delinquent homeowners account. Any balance on the account will generate a late charge and interest.

### **30 Days Past Due:**

**Interest** commences at the rate of twelve (12%) percent per annum on all regular and special assessments, late charges, and costs of collection (the "Delinquency") and will be charged to the homeowner's account and appear on their Statement. Upon Board Approval Suspension of Privileges shall take place.

### **45 Days Past Due:**

A **Pre-lien** package and letter is sent to the homeowner(s) at the Association's mailing address(s) of record by Certified Mail and First-Class Mail pursuant to California Civil Code 5660 informing them of their right to participate in dispute resolution under the association's "Meet & Confer" program (IDR) Civil Code 5910 and that the Association shall record a lien against the homeowner's property in the event full payment of lienable assessments is not received within **thirty (30) days**. The delinquent homeowner's account shall be charged \$125.00 for issuance of the Pre-lien letter plus \$25.00 per owner(s) exceeding three (3).

### **Show Cause Hearing:**

A delinquent Owner may be given a written notice (either in the Pre-Lien or Lien Letter or in a separate written document as determined by the Board of Director) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (a) the Owner's voting privileges (b) the operation of the cable television service to the Owner's Lot/Unit and or (c) the Owner's privileges for use of the common area/recreational facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessments.

The notice and hearing procedures shall be in accordance with the following:

- a. Written notice shall be mailed to Owner not less than ten (10) days prior to the date of such hearing by First-Class or Certified Mail at the Owner's last know address as shown on the Association's records. The notice shall set forth the amount of delinquency owed by the Owner and the time, date and place on which the hearing shall be held.
- b. The Board of Directors shall provide an opportunity for the Owner to be heard, orally or in writing, at the Show Cause Hearing prior to making any determination on the suspension of any Membership Privileges.
- c. In the event good cause is not shown and the Owner's account has not been brought current, the Board may suspend any of the Owner's Membership Privileges. Cable television services shall be reinstated upon the Owner's account being brought current and upon payment to the Association of a reinstatement assessment in an amount equal to what the Association is charged by the cable company to facilitate reinstatement of cable service. The Board shall hold the hearing in Executive Session; provided, however, if the Board is requested by a Member to have his/her matter be heard in an Open Board Meeting, then the matter must be heard in the Open Session and not in Executive Session.
- d. After the Show Cause Hearing, the Board of Directors shall provide within fifteen (15) days written notice to the Owner of the suspension of any Membership Privileges.

### **75 Days Past Due:**

Upon Board approval, the Association shall proceed to have a **Notice of Delinquent Assessment Lien** prepared and recorded against the homeowner's property on behalf of the Association. The delinquent homeowner's account shall be charged \$250.00 plus recording fees and any other costs associated, plus \$25 per owner exceeding three (3) with the preparation and recording of the assessment lien. A copy of the Notice of Delinquent Assessment Lien shall be mailed to the delinquent owner by Certified and First-Class Mail.

**Pre-Foreclosure:**

Upon Board approval, the delinquent account is assigned to the Association's attorney (account will be charged \$250.00 for attorney file preparation). Attorney will prepare an "Intent to Foreclose" letter to be sent to the delinquent homeowner advising that the attorney shall initiate foreclosure upon the assessment lien **unless** full payment is received with fifteen (15) days. This letter shall also advise the delinquent homeowner of their right to participate in dispute resolution under the association's "Meet and Confer" (IDR) program or by Alternative Dispute Resolution. Civil Code 5920

**Foreclosure:**

If not paid at the expiration of the fifteen (15) day period, the attorney shall commence a non-judicial foreclosure of the assessment lien by recording a Notice of Default and serving it upon the delinquent homeowner with a copy of the board's decision to foreclose. The foreclosure shall be conducted pursuant to Civil Code 5705(a), 5720(c) for the foreclosure of deeds of trust. No foreclosure sale shall take place until delinquent assessments exceed \$1800.00 or the assessments are more than twelve months delinquent.

**Legal Action:**

In lieu of proceeding with the foreclosure of the assessment lien, the Board may elect to proceed with a Small Claims Action or a Judicial Lawsuit for collection of the delinquency at any time after a lien has been file. This is an option and not a requirement. The delinquent homeowners account shall be charged for all the fees and any other costs associated with the preparation, attendance, and recording these actions. \*Fees are subject to change without notice

**ADDRESS FOR OVERNIGHT DELIVERY**

c/o Vintage Group  
24422 Avenida de la Carlota #450  
Laguna Hills, CA. 92653

Or

**Deep Canyon Tennis Club Owners Association**  
73-120 Frank Feltrop Drive  
Palm Desert, CA. 92260



## **ALTERNATIVE DISPUTE RESOLUTIONS**

### **Summary of Civil Code 5925-5965**

Sections 5925 to 5965 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under \$5,000 or for enforcing the associations governing documents, the filing party shall endeavor to submit the dispute to alternative dispute resolution (ADR). Forms of ADR include mediation, negotiation, and binding or nonbinding arbitration. This provision does not apply to the filing of cross-complaints.

The ADR process is initiated by one party serving a Request for Resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of the Civil Code Sections 5925 to 5965.

If the individual receiving the request agrees to ADR, the process must be completed within ninety (90) days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a Certificate of Compliance indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorney's fees and costs, the court may consider a party's refuse to participate in ADR when making the award.

A description of the Associations internal dispute resolution process, as required by Civil Code Section 5920, is attached.

NOTE: Failure by any member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.





**DESCRIPTION OF INTERNAL DISPUTE RESOLUTION PROCEDURE**  
**Civil Code Section 5900**

1. This policy applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Stirling Action, under the provisions of the Corporations Code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the Associations governing documents.
2. Either party to a dispute within the scope of this article may invoke the following procedure:
  - a. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
  - b. A member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
  - c. The Association's Board of Directors shall designate a member of the Board to meet and confer.
  - d. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
  - e. A resolutions of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
3. A member of the Association will not be charged a fee to participate in the process.

# DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION

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**TO: ALL MEMBERS OF DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION**  
**FROM: ARCHITECTURAL COMMITTEE**  
**DATE: MAY 16, 2022**  
**RE: ARCHITECTURAL/REMODELING APPLICATIONS**

Spring is here and as summer approaches, owners may be contemplating remodeling or other home improvement projects to be done during the off season. All projects require a completed architectural application filed with the DCTC office.

The Architectural Control Committee (ACC) is a volunteer committee of fellow homeowners appointed by the Board that reviews applications submitted by owners. Complete applications must be submitted **at least 30 days prior to any work** along with details of the proposed construction improvements. The ACC will review the application and submitted materials, clarify any ambiguities, specify conditions where applicable and grant approval when appropriate.

The application is available at the DCTC office along with access to the architectural rules governing various types of improvements.

There are three categories of improvements:

- Category I improvements still require an application so that a job order number is assigned, and a permit issued for entry by tradesmen who will have limited access to our campus through security. Category I improvements include among others **replacing** appliances, plumbing fixtures, cabinets, counter tops, flooring, windows with some exceptions and water heaters all in the same locations as items replaced.
- Category II improvements must be approved by the ACC and include any structural modifications, electrical and plumbing modifications, patio covers and awnings, carport storage units, skylights and Solatubes, exterior doors, fence modifications, satellite dishes, resizing windows, relocating walls or water heaters, among others.
- Category III improvements are those not specifically listed in the Category I or II rules. These must be approved by the Board as a variance, the application for which is available at the DCTC office. These are generally novel or have a potential effect on the homogeneity of appearance of the exterior of the units.

All exterior owner improvements, such as patio or deck tiles, must be maintained by the owner and are no longer the responsibility of the HOA.

Construction, electrical and plumbing contractors must be duly licensed and obtain necessary permits. There are specific rules for contractors regarding permits,

workmanship, hours of work, storage and disposal of building materials, time of completion and others.

Our objective is to assure maintenance of the integrity, quality, and homogeneity of the units as well as the safety and security of the community. Please feel free to contact one of us if you have questions about your intended project.

Your Architectural Control Committee

Carl Stecker, Chair

Mike Rogers, Board President and  
Liaison to ACC Committee

Cam Thomas  
Gary Bickley  
Jeremy Zucker  
Brad Bjorklund



**STATUS OF THE COMMON INTEREST DEVELOPMENT AS A FEDERAL  
HOUSING ADMINISTRATION (FHA) APPROVED CONDOMINIUM  
PROJECT  
Civil Code Section 5300**

“Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner’s ability to refinance a mortgage or obtain secondary financing and an increase in the pool or potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development **is not** certified by the Federal Housing Administration.”



**STATUS OF THE COMMON INTEREST DEVELOPMENT AS A FEDERAL  
DEPARTMENT OF VETERANS AFFAIRS (VA) APPROVED  
CONDOMINIUM PROJECT  
Civil Code Section 5300**

“Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner’s ability to refinance a mortgage or obtain secondary financing and an increase in the pool or potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development **is not** certified by the federal Department of Veterans Affairs.”

# DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION

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## Request for Annual Notice of Address, Representative and Rental Status

(Civil Code section 4041)

May 16, 2022

Dear Homeowner,

Civil Code 4041 requires each homeowner to provide the Association with the following information on an annual basis. This request for information is also required to be sent by the Association to their members at least 30 days prior to making the Association's own Annual Budget Report disclosures under Civil Code 5300.

**IMPORTANT NOTE:** If an owner fails to provide the notices set forth in paragraphs 1 and 2, the property address of the Owner's Separate Interest within the Community shall be deemed to be the address to which notices are to be delivered. **This must be updated annually if you wish to use a different mailing or secondary address, and legal representative (if any).**

**PLEASE COMPLETE THIS FORM AND RETURN TO THE ASSOCIATION WITHIN 30 DAYS**

1. The address or addresses to which notices from the Association are to be delivered:

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2. An alternate or secondary address to which notices from the Association are to be delivered:

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3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your absence:

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4. Is the home that you own (check one):

Owner Occupied       Rented or Leased

You can email this form to [rosanna@vintagegroupe.com](mailto:rosanna@vintagegroupe.com), fax to 800-996-3051 or mail to:

Deep Canyon Tennis Club Owners'  
c/o Vintage Group  
73-120 Frank Feltrop  
Palm Desert CA 92260

A thick vertical brown bar on the left side of the page, with a horizontal orange arrow pointing right, overlapping the bar.

# DEEP CANYON TENNIS CLUB

RULES AND REGULATIONS

A series of thin, curved lines in shades of brown and tan, resembling grass or reeds, extending from the bottom left towards the center of the page.

APPROVED: March 2022

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## I. INTRODUCTION

DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION (DCTC) is a planned community of many families living closely together on relatively small acreage. Your decision to live in such a development with its many advantages signifies a willingness to forego the complete freedom of action possible in a private dwelling. That willingness implies an obligation to respect your neighbors' rights, to change your own habits and actions, to prevent encroachment, and to be tolerant of your neighbor.

To ensure a uniform and harmonious community, per the Association's Declaration of Covenants, Conditions & Restrictions ("CC&Rs"), Bylaws, and Articles of Incorporation, and as allowed by California Law, the Association has adopted these Rules and Regulations. The Rules and Regulations are presented to all homeowners to complement the Association's CC&Rs, so that we can all enjoy living in a pleasant environment with friendly neighbors and to support the beauty and value of our condominiums and common areas.

**A. Purpose.** These Rules and Regulations of the DEEP CANYON TENNIS CLUB OWNERS' ASSOCIATION have been adopted by the Board of Directors as a supplement to the Declaration of Covenants, Conditions and Restrictions ("CC&Rs"). The intent of the Rules and Regulations is to preserve the peaceful enjoyment of Association amenities for all members. Your voluntary compliance with all the covenants, conditions and restrictions will promote an overall benefit for all. These rules may be amended at any time upon thirty (30) days written notice to the members.

**B. Violations.** Violations of the Rules & Regulations could result in citations being issued and further subsequent action being taken. The Board of Directors is empowered to levy enforcement and/or reimbursement assessments, suspend membership and/or privileges (including, but not limited to, cable television and all recreational amenities) and to pursue other legal action to ensure compliance of the Rules and Regulations. (See Sec. XIII, Enforcement Procedure.)

**C. Definitions.** The following definitions are applicable, as those terms are used throughout these Rules and Regulations.

1. "Owner" shall mean the record holder(s) of title of any Unit in the Deep Canyon Tennis Club subdivision, as defined in the CC&Rs.
2. "Resident", shall mean an Owner, Owner Designee or Renter.
3. "Owner Designee" shall mean any person registered by the Owner as having Owner privileges when the Owner is not in occupancy at DCTC. The Owner must register the person or persons as an Owner Designee with the DCTC office at least one week prior to the arrival of the Owner

Designee on property.

4. "Renter" shall mean any person, excluding "Owner Designee", who occupies a dwelling within DCTC, while the Owner is not in residence. Such occupancy shall be considered a rental and shall be for a period of not less than thirty (30) days and shall be covered by a Rental Agreement and subject to Facility Fees.

5. "Guest" shall mean any person who is authorized by the Resident to enter DCTC who will be living with and during the Resident's occupancy and subject to a Guest Fee for the use of the courts as described in IX Tennis and X Pickleball.

6. "Visitor" shall mean any person who may enter DCTC by a Resident, but who will not be living with the resident; including but not limited to all invitees, vendors, service personnel and contractors. Visitors could be subject to Guest Fees for the use of the tennis courts as described in sections IX Tennis and X Pickleball.

7. "Privileges" shall mean voting privileges, cable television as well as any common area privileges that include, but are not limited to, the right to use of Association amenities and common area facilities such as the recreational amenities, tennis courts, clubhouse, and pools.

#### **D. Conduct.**

1. Any improper conduct or obscenities will not be tolerated. Actions by any person of any nature that may be dangerous or may create a health or safety problem or disturb others are not allowed; this includes noise, intoxication, and quarreling, threatening, fighting, offensive or abusive language, written or oral.

2. An Owner is responsible for the conduct of his/her Designees, Guests, Family, and/or Renters, and/or Visitors and all service personnel, vendors, contractors, and any other invitees.

3. Disturbing noises that may interfere with the quiet enjoyment of others are not allowed. Excessively loud talking, radios, televisions, stereos, or other noise or conduct between the hours of 10:00 p.m. and 7:00 a.m. shall be considered a nuisance. Skateboards, roller skates, tricycles, bicycles, and scooters shall not be used on sidewalks (see Section XI, Paragraph F).

4. The Board of Directors has the power to discipline any person for any conduct, which in its opinion tends to endanger the welfare, interest, or character of the Association, as well as for violations of the specific rules and regulations of the Association.

5. Employees, association staff and guards are to be treated in a courteous and considerate manner. No employee shall be reprimanded or harassed in any way by any Owner, Resident and/or Guest. All complaints of service given by any personnel must be made to the Association Manager for appropriate handling.

6. No smoking is allowed.

#### **E. Loss or Damage.**

1. The Association will not be responsible for the loss of property belonging to Owners, Residents, Renters, and/or Guests, including but not limited to, clothing, automobiles, or for any loss or damage sustained by them on the Association's property.

2. Lost and found items should be turned in to the Association Office and will be kept for ninety (90) days.

## **II USE RESTRICTIONS**

**A. Purpose.** A Unit shall be occupied and used only for residential purposes by the Owner(s), Residents, and their guests, per Section G (2) of the CC&Rs, except as allowed in Section B following.

**B. Home Occupations.** "Home occupation" shall mean any legal activity conducted in compliance with the home occupation ordinance contained in the City of Palm Desert Municipal Code. No home occupation is allowed in any Unit except by prior written approval of the Board.

#### **C. Renting/Leasing.**

1. All lease/rental agreements for any Unit within the Deep Canyon Tennis Club subdivision shall have a provision binding the lessee(s) to the terms and conditions contained in the Association's governing documents, including without limitation these Rules and Regulations.

2. Owner shall supply a copy of a Rental Agreement to the Association at least ten (10) days in advance of the arrival of tenant, including the names of the occupants of the rented/leased Unit. The office contacts the gate, registering and collecting required fees of the Renters.

3. Owners shall supply each lease/renter a copy of the Rules and Regulations. Owner and his/her Renter shall be jointly and severally liable for any breach of the governing documents, including but not limited to any enforcement or reimbursement assessment, as well as for any damage to the common area caused by said Renter. Failure by Owner's lessee(s)/Renter(s) to follow these Rules and Regulations may subject the Owner or

Lessee/Renter to disciplinary action, as provided in the Association's Enforcement Procedures.

4. No Unit may be leased for a period of fewer than thirty (30) days.

5. An administrative fee specified by the Board, which may be changed from time-to-time as the Board deems necessary, shall be imposed for each rental of a Unit within Deep Canyon Tennis Club in order to defray the additional administrative costs of the Association related to said rental, including, but not limited to, the cost of the processing the rental agreement and updating the Association files for purposes of the Renter's use of facilities and access to the subdivision.

6. When a unit is leased, it shall mean not only the living space (the unit) but also the assigned carport space(s).

7. The Owner handles providing the tenant with a key for use of the gym. Lost keys and more keys are available for a charge.

8. Facility fee is charged to Renters with a lease for less than six months. The fee is established annual by the Board of Directors. The fee will be payable per adult per month basis. **Fees are payable in advance for the term of the lease (no pro-ratio) at the Association office.**

### III. MAINTENANCE OF UNITS

**A. Prompt Maintenance.** Each Owner shall promptly perform maintenance and repair work within his/her Unit, which, if omitted, would affect any common area or any portion of property belonging to another Owner, or the Unit as a whole. Owner shall be responsible for all damages resulting from failure to maintain or repair his/her Unit.

**B. Improper Actions.** Owners shall not take or cause to be taken any action within their Units which would jeopardize the soundness, structural integrity or safety of any part of their Units or impair any easement or right attached thereto, affect the common areas, and/or increase the rate of fire insurance thereon or the Units as a whole without written consent of the Board of Directors.

**C. Association's Rights.** In the event a Unit is not kept in a proper manner, the Association shall have the right to furnish the labor and/or materials necessary to clean, repair, and/or maintain said Unit, per the Association's Enforcement Procedure and the governing documents. The Owner shall be required to repay the costs of such actions to the Association which will be charged to the Owner as an enforcement assessment.

### IV. LANDSCAPE CONSIDERATIONS

**A. Patio Plantings.** Maintenance of the landscape inside an exclusive-use patio is the responsibility of the Owner of that Unit. Any plantings within the patio areas that are visible from the exterior of the Unit must be kept in good condition and must not interfere with any neighbor's Unit. Trees and plants should be kept and

should not encroach on the neighbor's Unit, the Common Area, patio covers, roofs, or other building components. Palm trees shall have the fronds removed annually.

**B. Common Area Plantings.** The plantings in Association Common Areas shall not be added to or removed without permission from the Landscape Committee. Forms may be obtained from the HOA Office.

## V. ARCHITECTURAL RULES

### A. ASSOCIATION AUTHORITY FOR ARCHITECTURAL CONTROL

The Association CC&Rs (Article VI, Section 6) require that "an Owner or occupant shall not perform nor commence any work that will impair the structural soundness or integrity of another Unit, Common Area or impair any easement nor do any act nor allow any condition to exist which will adversely affect the other units or their Owners or occupants unless prior approval is obtained from the Architectural Committee." It further states that "no structural alterations to the interior of any Unit shall be made and no plumbing or electrical work within any bearing or common walls shall be made by any Owner without complying with the prior written consent of the Architectural Committee." Article VII, Section 3 also requires prior approval, in writing from the Architectural Committee, for any "exterior or interior addition, change or alteration including, but not limited to awnings, sunshades, screen doors, ornamental screens, fences, walls, patio overhead structures, or landscape plantings..."

### B. DEFINITIONS (Architectural Related)

**Approval:** A written approval for architectural improvements from the Board or Committee.

**Architectural Committee:** A committee (Committee) appointed by the Board to review and process Category II Architectural Modification Requests.

**Architectural Modification Request:** An Association form (Application) used to petition the Architectural Committee for a Category II Improvement.

**Architectural Rules:** Section V of the RULES AND REGULATIONS.

**Association:** The composite group of Owners (Owners) of the Deep Canyon Tennis Club.

**Board:** The elected Board of Directors (Board) of the Deep Canyon Tennis Club.

**Board Variance Request:** An Association form (Variance Application) used to petition the Board for a Category III Improvement.

**CC&Rs:** DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS of the Deep Canyon Tennis Club Owners Association.

**City:** City of Palm Desert, California.

**Common Area:** Common grounds external to residential buildings, including the exterior building surfaces, fences, or railings.

**D Deck Wall:** The wall at deck level on the second floor.

**Entry Area:** The front door area consisting of the concrete slab and walls no further out than the outward edges of the entry column on A, B, C & E units; and the landing area at the base of the stairs including the concrete slab and immediate wall on D units.

**Exclusive Use Common Area:** Patios, carports and D decks including the immediate building wall area.

**Improvement:** An addition, modification, replacement, or repair of a fixture or accessory.

**Like for Like Replacement:** A replacement of a fixture with an item of matching size and function in the exact location. i.e., a refrigerator for a new refrigerator.

**Owner:** An Ownership entity of one unit of the Deep Canyon Tennis Club.

**Roof Penetration:** Penetration of the roof surface of any kind.

**Unit:** An individual living unit.

### C. ARCHITECTURAL IMPROVEMENT PROCEDURE

**Registration of Contractors** - Contractors and tradesmen shall register with the Association Management prior to starting work. The Management shall be given evidence that such contractor is licensed, bonded, and insured in the state of California for the type of work to be conducted and an estimate of the period of time to complete the work. An entry pass for the gate will then be issued to the Contractor. This entry pass may be rescinded for violation of these guidelines, or any of the Associations' governing documents by the Contractor, his employees, agents, or subcontractors. The "Front Gate" will not issue an entry pass to any contractor/tradesmen for more than one (1) day within a week to a single location.

Improvements fall into Categories I, II, and III as defined herein. Call the Association Office if the category is uncertain.

**Category I** If the Improvement is listed as Category I owner may continue with the Improvement, subject to the rules and guidelines listed herein, without Committee approval.

**Category II** Improvements require an Application (Architectural Modification Request) in writing. Applications are available at the office. Guidelines to aid the Owner in making Category II Applications and Improvements are listed in Paragraph D. Written approval must be obtained from the Committee prior to the commencement of work. Applications involving "roof penetrations" shall be accompanied by a "re-foaming" fee (contact the Association Office for the current amount) which absolves the Owner of future roof maintenance, or liability. Applications incorporating roof access only (no penetration) shall be accompanied by an inspection fee (contact the Association Office for the current amount). After the inspection, cost of roof repairs, if any, will be billed to the Owner. Any application that is not approved by the Architectural Committee for any reason may be appealed to the Board of Directors for reconsideration. All appeals must be in writing and will be addressed at the

next scheduled Board of Directors meeting. Appeal should include the denied application, a copy of the denial letter and any pertinent information that the Board should have to decide on the appeal.

**Category III** Improvements are all Improvements not specifically listed as category I or II and require written authorization (a variance) from the Board. Applications (Board Variance Request) are available at the office.

## **D. ARCHITECTURAL IMPROVEMENTS**

### **1. Category I Improvements.**

Category I Improvements are pre-approved minor architectural alterations, repairs, or replacements that do not require Committee or Board approval. Owners shall follow the guidelines listed below.

#### **a. Interior pre-approved Improvements are as follows:**

- 1) **Appliances: Cabinets or Countertops:** Electrical Replacements are approved when not changing location.
- 2) **Flooring:** Carpeting, linoleum, or tiling: Cracks must be treated with an insecticide (for termites) and filled with a concrete patching material prior to installing new flooring.
- 3) **Interior Painting or Decorating:** Any color desired. Wall hung mirrors are allowed. A special note on window covers: Article IV, Section 14 of the CC&Rs reads as follows: "Curtains, drapes, shutters or blinds of **neutral color** may be installed as window covers."
- 4) **Plumbing Improvements:** Replacements of faucets, fixtures, and supply tubing, exterior to the walls but does not include relocations or alterations.
- 5) **Popcorn Ceilings, Removal of:** Caution; some ceilings may have asbestos fibers.
- 6) **Telephone, Cable Television, or Internet Wiring.**
- 7) **Security Systems:** Signs shall be placed within the Entry Area, patio, or on D deck walls.
- 8) **Water Heaters:** Replacements without changing location approved (see tank less and relocation of water heaters).

#### **b. Exterior pre-approved Improvements are as follows:**

- 1) **Doorbells.**
- 2) **Entry Area Accessories:** Wall mounted accessories such as thermometers, barometers, welcome signs, clocks, Owner's names, security system signs, etc., shall be restricted to three (3) items in the Entry Area.

- 3) **Entry Area Lights:** Replacements on A, B, C, and E units. (D unit landing lights are the responsibility of the Association.)
- 4) **Entry Area Tile:** Tile shall be beige and shall extend no further than the Entry Area (as defined in Definitions, Paragraph B). **(Tiling of D unit Entry Areas is prohibited.)**
- 5) **Fence Sign:** A single sign not to exceed 100 square inches, mounted adjacent to or on the gate designating the Owner's name and/or address.
- 6) **Patio Irrigation Systems:** Repair or modification of existing systems. (Contact the Landscaping Committee for new systems.)
- 7) **Patio Wall Fixtures:** "Like for Like" replacements.
- 8) **Rain Gutters:** Gutters are restricted to Patios of A and E units, and D decks. Gutters shall extend the full length of the building section; shall have no downspouts (free fall drainage) and shall be Deep Canyon Beige.
- 9) **Screen Doors:** Screen doors shall be beige with beige front doors; brown with brown front doors. Invisible (retractable) screen doors are allowed.
- 10) **Security Doors:** Security type doors shall be beige with beige front doors, and brown with brown front doors. Hardware shall match the front door hardware.
- 11) **Surfaces on Patio Slabs:** Surfaces shall have "non-skid" properties.
- 12) **Wall Mounted Accessories:** Wall mounted accessories such as thermometers, barometers, clocks, security system signs, etc., shall be restricted to a maximum of three (3) items on the patio walls or D deck walls.
- 13) **Wind Chimes:** Wind chimes shall be placed in a location that does not disturb neighboring Units.
- 14) **Windows:**
  - a) Replacement windows shall have frames comparable to Deep Canyon beige with matching screens.
  - b) Replacement windows shall be non-gridded in the slider or "fixed" full glass.
  - c) Windows in front room locations may be sliders or full-glass windows.
  - d) Garden (protruding) windows are allowed on the ground level of "B" and "C" units.
  - e) Glass shall be clear (low e glass is allowed).
  - f) No application of reflective material on the exterior or interior of the windowpane is allowed.
  - g) The unit Owner shall maintain new windows.
- 15) **Patio Slab Extensions.**
  - 1) Topsoil shall be removed within the slab extension area.
  - 2) Concrete shall be minimum four (4) inches in thickness, six (6) inches were abutting the existing slab.



## **2. Category II Improvements:**

Category II Improvements listed below, require an Architectural Modification Request (Application) and written approval from the Architectural Committee (Committee) **prior to commencement of work**. Applications, which are available at the Association Office, must be given to the Office thirty days prior to the proposed start of the construction.

The Board has authorized the Committee to review applications for specific improvements, as listed. Applications that do not meet, in the Committee's opinion, the Board's guidelines as memorialized, will be rejected. Upon rejection, the Owner may appeal, in writing, to the Board.

### **a. Electrical & Plumbing Modifications.**

- 1) Interior improvements which require electrical or plumbing changes within any wall.

### **b. Awnings.**

- 1) Awnings shall be manually or mechanically retractable to fold against the condominium wall or eave.
- 2) Retractable awnings are restricted to patios and D decks.
- 3) Detailed information describing, but not necessarily limited to the make, model, size, and dimensions, must accompany the Application.
- 4) Mounting shall be detailed showing three through bolts for each attachment to roof rafters. Rafter must be doubled. (Lag bolts are not approved).
- 5) Awning material shall be beige.

### **c. Carport Storage Cabinets.**

Hinged 6'8" six panel doors are recommended on new carport cabinets. All storage cabinet doors in any two or three car bays must be of the same design. Additions/modifications to existing cabinets with plywood doors (excluding repairs) or additions using plywood doors are prohibited. Carport storage modifications require removal of all existing cabinets (in that bay) and replacement with cabinets incorporating standing 6'8" hinged doors. The following standards also apply:

- 1) Cabinet depth may not exceed the raised platform (curb).
- 2) Building materials must be consistent in design and color with existing cabinets in the unit.
- 3) Owners are responsible for painting new carport storage cabinets. Cabinets and the vertical curb front are to be painted Deep Canyon Beige to match the existing interior.
- 4) No freestanding cabinets shall be used as carport storage cabinets.
- 5) The Association will apply the unit's numbers.

### **Carport Ceiling Hung Storage Cabinets.**

A ceiling hung storage cabinet design can be used. This cabinet must follow the standards above as well as the following:

- 1) The cabinet depth cannot extend beyond the existing curb (approx. 36").
- 2) The bottom of the cabinet is to be 48-50" above the carport floor.
- 3) The underside of the cabinet must be finished with no exposed framing and painted as needed.
- 4) The door(s) is to be a standard frame type appropriately hinged (no plywood or cabinet doors allowed). The top of the door will be at the 6'8" above the top of the carport curb. (This will give the appearance of a full door and look like the top of a standard Dutch door).

#### **d. E-Unit Skylights**

The Association has installed "hi-tech foam-based" roofs. All repairs/modifications to "E" unit skylights (except emergency repairs) shall require an Application, accompanied by an inspection fee (contact the Association Office for the current amount). After the inspection, cost of roof repairs, if any, will be billed to the Owner.

#### **f. Front Entry Doors.**

- 1) Front entry doors and trim shall be Deep Canyon beige or Deep Canyon brown.
- 2) Glass, if any, shall be clear and/or frosted. (Low e glass is allowed).
- 3) Multi-light doors are allowed.
- 4) Gridded doors are allowed.
- 5) No colored glass is allowed.
- 6) The unit Owner shall maintain custom doors.

#### **g. Doors Flanking Front Entry Doors on D Units.**

- 1) Front entry doors for D units shall meet the requirements of d, (above).
- 2) Flanking doors may be sliding or hinged.
- 3) Both flanking doors and trim shall match in style and color.
- 4) Flanking doors and trim shall match the front door in color.
- 5) Glass shall be clear (low e glass is allowed).
- 6) Vinyl doors shall be Deep Canyon Beige; wood or metal doors shall match the building color or Deep Canyon Beige.
- 7) The unit Owner shall maintain custom doors.

#### **f. Patio Doors (Units A, B, C and E) ...**

- 1) Maximum eight-foot-wide sliding or French style doors are allowed.
- 2) Doors shall be wood, metal, or vinyl color shall be Deep Canyon beige.
- 3) Glass shall be clear (low e glass is allowed).
- 4) Vinyl doors shall be beige; wood or metal doors shall match the building color or Deep Canyon Beige.

#### **h. Patio Overhead Structures.**

- 1) A detailed drawing shall go with the Application.
- 2) Patio overhead structures shall be constructed of wood-appearing material.
- 3) Structures shall be Deep Canyon beige in color. "Wood-appearing" structures shall be a color comparable to Deep Canyon beige.
- 4) Structures may not protrude beyond the fence line nor use the fence for support.
- 5) Supporting posts shall not touch the fence.
- 6) The unit Owner shall maintain overhead patio structures.
- 7) Any repainting of overhead structures shall be in the color of Deep Canyon Beige.

#### **i. D-Deck Gates.**

- 1) Owner to supply design, measurements, materials, fabrication, and installation used for consideration.
- 2) Work will be at homeowner's expense.
- 3) The Association will own and paint the gate. Color to match existing rail color.

#### **j. Fence Modification (raising or lowering the height).**

- 1) A drawing or sketch must go with the Architectural Modification Request.
- 2) Fences 72 inches or lower shall have a 2" x 6" wood cap.
- 3) Fences can be no lower than 42 inches in height and no higher than six feet.
- 4) Work to be done at homeowner's expense.
- 5) **Special Note: ANY Fence Relocation is a Category III Improvement**

**k. Overhead Misting Systems** are not allowed due to water conservation.

#### **l. Satellite Dishes.**

The Association has installed "hi-tech" foam-based" roofs. A post-installation roof-inspection fee (contact the Association Office for the current amount) shall go with the Application. After the inspection, cost of roof repairs, if any, will be billed to the Owner. Dishes shall be a "non-penetrating" installation on a horizontal part of the roof. Dishes mounted on the side of the building or on patio structures are prohibited.

- 1) A drawing showing the location of the dish and the cable route shall go with the Application.
- 2) Cable penetration of the roof is prohibited.
- 3) Exposed cable shall be painted the same color as the building background (beige or red).

#### **m. Tank less Water Heaters.**

The Association has installed "hi-tech foam-based" roofs.

- 1) If a new flue or larger flue is needed, after installation by the Owner's Contractor, the Association will "re-foam" the roof at the Owner's expense, absolving the Owner of future roof maintenance, or liability.
- 2) The "re-foaming" fee (contact the Association Office for the current amount) shall go with the Application.
- 3) City permits are needed for the installation of any tank less water heater.

#### **n. Relocating Water Heaters to Patios.**

##### 1) Gas Water Heaters:

- a) Application shall include a detailed construction drawing.
- b) Installation shall meet all applicable City codes and regulations.
- c) Water heater and vent pipe shall be enclosed in wood-framed boxes with stucco finishes painted the same color as the building.

##### 2) Electric Water Heaters:

- a) Application shall include a detailed construction drawing.
- b) Installation shall meet all applicable City codes and regulations.
- c) Water heater unit shall be enclosed in a wood-framed box with stucco painted the same color as the building.

##### 3) Tank less Water Heaters:

- a) Gas heaters shall be of ample size to allow a flue cap no higher than the fence height.
- b) Water heater and vent pipe shall be enclosed in wood-framed boxes with stucco finishes painted the same color as the building.

#### **o. Patio Lighting.**

- 1) Wall-mounted lighting is prohibited (except original wall fixtures).
- 2) Patio structure lighting is prohibited.
- 3) Lighting on patio trees is prohibited.
- 4) String or other lighting shall be "interior fence mounted."

#### **p. Vents.**

The Association has installed "hi-tech foam-based" roofs.

- 1) If a new vent is needed, after installation by the Owner's Contractor, the Association will "re-foam" the roof at the Owner's expense, absolving the Owner of future roof maintenance, or liability.
- 2) The "re-foaming" fee (contact the Association Office for the current amount) shall go with the Application.

#### **q. Windows in "A" Unit Patios.**

- 1) Application shall include a detailed construction drawing.

- 2) Windows shall meet the requirements of C.1.b.14 (Windows).
- 3) Garden or (protruding) windows" are allowed.

**r. Solar Tubes.**

Sola-Lite, through a bulk contract with the Association, will install new solar tubes (trademark) at the Owner's expense. Contact the office for current costs, which includes roof "re-foaming," as needed, absolving the Owner of future roof maintenance, or liability. Solar tube height cannot exceed the height of the unit's roof tile ridge. The color shall match the surface (beige or tile color).

Upon payment to the Association, accompanied with the application, Sola-Lite will contact the Owner to schedule installation (installation takes about two hours). The Owner selects the location, which may require slight adjustment, due to roof ceiling joists, etc.

**s. Room Air Conditioners.**

Installation or placement of fans and/or room air conditioners would not be in keeping with the architectural integrity of DCTC. Therefore, temporary, or permanent placement installation of fans or room air conditioners that are within the window openings or are cut into exterior walls are not allowed.

**t. Exterior Air Conditioners.**

- 1) Application shall include a detailed drawing showing location of condensing unit.
- 2) Application will include the placement of new Freon lines.
- 3) If Freon lines must be placed outside the home, they must be covered and painted to match the surface.

**3. Category III Improvements.**

Category III Improvements are prohibited without a written variance by the Board. Application shall be made on a Board Variance Request, available at the Office. Improvements not specifically detailed as Category I or Category II Improvements are Category III Improvements.

**D. CONTRACTORS AND WORKMANSHIP**

**1. The following rules apply to all Improvements.**

- a. **City of Palm Desert Building Permits** In cases where electrical, plumbing, and structural improvements require a building permit; one shall be obtained, and a copy supplied to the Association office. Approval by the Committee does not waive the necessity of obtaining the required building permit nor does possession of a permit waive the need for Committee or Board approval.
- b. **Workmanship** - Workmanship shall conform to existing construction codes and standards within the Deep Canyon Tennis Club. Work performed by contractors or individual Owners shall adhere to applicable building codes and

- industry standards. Contractors must be licensed, bonded, and insured.
- c. **Hours of Work** - During daylight-saving (March - October) Construction work is allowed only between 7:00 a. m. and 5:00 p. m., Monday through Saturday. No work is allowed on Sunday or any national holiday. When daylight-saving ends (November - March) Construction work is allowed only between 8:00 a. m. and 4:00 p. m., Monday through Saturday. No work is allowed on Sunday or any national holiday
  - d. **Storage of Building Materials** Storage of materials, including, but not limited to furniture or building materials, in carports more than seven days is prohibited. If material shall be removed by the Association, it will be done at the expense of the Owner and a fine will be assessed.
  - e. **Disposal of Building Materials** - The Owner or contractor shall dispose of all removed or excess materials or other debris at an off-site location. This includes cardboard, foam, and other packing materials from material containers. The Unit's trash containers or recycling bin shall not be used for disposal. There shall be no debris stored in carports at any time. The Association Manager shall approve the location and duration of dumpsters.
  - f. **Miscellaneous Prohibitions** The following are prohibited:
    - Portable toilets
    - On-site signs
    - Audio equipment which could disturb other Owners
    - Pets brought in by contractors
  - g. **Twelve-month Completion** If an approved improvement has not been completed within 12 months of the approval date, a new Application must be sent.
  - h. **Modifications During Work** During the course of the work, changes in material or design of Category II Improvements shall require a revised Application and next Committee approval before any change is implemented.

## E. MAINTENANCE OF EXTERIOR OWNER IMPROVEMENTS

The Owner shall keep Owner-made exterior improvements as stated in Article X, Section 3 of the CC&R's.

## VI. ANIMALS

1. Owners, renters, and guests have the right to keep pets in their unit and enjoy the common areas if the owners and pets follow the reasonable rules of behavior. Those rules are outlined below:
  - a. The pet shall not interfere with the rights of any other owner or occupant of a unit to the peaceful and quiet enjoyment of their unit and common grounds. If the board shall decide that a pet is causing an unreasonable annoyance or nuisance to any other owner or occupant, the board or the office will contact to owner to seek a solution to the problem. If no solution can be negotiated, the board will ask that the Pet be removed from DCTC.

- b. No owners shall raise or keep animals for commercial purposes (Pets Only).
  - c. All pet owners (DCTC owners and renters) must register their pets and service animals at the office.
  - d. The pet owner shall have sole responsibility for any damage or injury to persons or property caused by their pet.
  - e. Pets shall be allowed in the common grounds, subject to the following restrictions.
  - f. All pets must be on a leash held by a person capable of controlling the pet.
  - g. Pets are not allowed to be left alone. Pets are not allowed to be tethered for more than 10 minutes at a time. If tethered, pets must be tethered in the allowed common grounds, and not obstructing walkways.
  - h. People walking their pet must remove and dispose of pet waste in a proper receptacle. If the owner is not capable of picking up waste, then the owner shall arrange for a pet walker.
  - i. No pets shall be allowed inside the common buildings and activity areas (Pro-shop, clubhouse, gym, community garden area, tennis courts, pickle ball courts, pools, and pool areas).
  - j. Pets shall be allowed in the DCTC Office for registration (on leash).
  - k. No pets are allowed on the clubhouse, pro-shop, bocce ball or pickleball patios.
  - l. Pet owners in the common areas shall respect the personal space of people to avoid pet contact and tripping hazards, especially in congested areas around the clubhouse, tennis areas, walkways, and pickle ball areas.
  - m. Pets shall be allowed access to a specified off-leash area on campus (The area will be posted). The rules for use shall be posted.
2. **Service Animals** - Per ADA, a service animal is defined as a dog that has been individually trained to do work or perform tasks for an individual with a disability. The task(s) performed by the dog must be directly related to the person's disability.
- a. The DCTC staff/board may ask two questions regarding a service dog. 1) Is the dog a service animal needed because of a disability? 2) What work or task has the dog been trained to perform?
  - b. Emotional support, therapy comfort or companion animals are not considered Service Dogs under the ADA.
  - c. Service Dogs, or those trained as Service Dogs but not actively engaged in the support of a disabled person must use the same rules as all other Pets.
3. All Residents shall have the right to peaceful and quiet enjoyment of the common areas, and the right to not share their own personal space with a pet. All residents have the right to report any non-compliance to the above rules to the office and the board.
4. These rules are independent of other requirements that may be imposed by the City of Palm Desert.

## VII. CLUBHOUSE

- A. Eligibility.** Use of the clubhouse and recreational facilities shall be granted only to residents and their guests. The clubhouse is open seven (7) days a week. Dress code of casual clothing is allowed, no swimsuits. All minors under the age of fourteen (14) must be accompanied by an adult.
- B. Guests.** All guests must abide by all Association rules and regulations.
- C. Liability.** The Association is not liable for any loss, damage, or injury to persons or property in any manner whatsoever during the use of the recreational facilities by Residents, or Guests.
- D. Use/Reservations of Clubhouse**
- 1. Reservations/Deposit.** A Resident wishing to reserve the use of the Clubhouse for a private event, i.e., an event unrelated to Association events, which involves twenty (20) or more people, must complete a Clubhouse Use Agreement. A cleaning deposit of \$125.00 is needed with each reservation, which is refundable after the premises have been inspected and approved. (Residents may reserve the clubhouse for events involving less than 20 residents without completing the agreement or making a cleaning deposit.) The Association reserves the right to deduct the cost of any damage or extra cleaning required following the event. Where damages have occurred, the cost of repair or replacement, as decided by the Board, shall be deducted from the cleaning deposit and the balance, if any, refunded within fifteen (15) days after determination. Should the damage be more than the cleaning deposit, the responsible User shall make restitution of the outstanding balance within thirty (30) days of determination. The Association shall have the right to specially assess any Owner (per Article VI, Section 5 of the Bylaws) who executes the Clubhouse Use Agreement and does not make restitution within thirty (30) days' demand by the Association. Failure to pay any special assessment shall result in lien and foreclosure proceedings, as provided in Section H of the CC&Rs.
  - 2. Non-resident use.** If an event involves more than fifty percent (50%) non-residents (e.g., a wedding party or family reunion), a non-refundable fee must be paid in advance along with the cleaning deposit. This fee is set by the Board and may be changed from time to time.
  - 3. Presence of resident.** Use of the Clubhouse shall be for personal use of a Resident only. The Resident sponsoring the event must remain on the premises until all guests have left.
  - 4. Event priority.** Events scheduled by the Association shall have priority over all others.



## VIII. POOLS/SPAS

- a. Use of pools/spas is at the individual's own risk. No attendant will be present. It is recommended that these facilities be used only when another person is present.
- b. Pool facilities are for Residents and their Guests only.
- c. Operating hours for the main Pool (12) shall be 6 a.m. to 11 p.m. Small pools, spas and restrooms shall be open 6:00 am to 10:00 pm during October through April. For May, through September, the small pools, spas, and restrooms shall be open from 6:00 am to 11:00 pm.
- d. Access gates to the pool areas and restroom doors shall always remain closed.
- e. Proper swimming attire must be worn. No cutoffs are allowed.
- f. There shall be no diving, roughhousing, or jumping into the pools or spas.
- g. No bobby pins or hair pins are to be worn while in the pools.
- h. No food or drinks are allowed in pools or within three (3) feet of pool edge. **No smoking is allowed within the pool area.**
- i. No glass containers of any kind are allowed anywhere within the pool areas.
- j. Improper conduct will not be tolerated. Excessive noise, running, "roughhousing" is not allowed.
- k. Chairs and lounges may not be reserved at any time. Care should be taken to avoid getting suntan oil on the poolside furniture.
- l. Pool furniture may not be removed from the pool area. Upon leaving the pool area, return chaises and chairs to their proper places, put all umbrellas down and put trash in the receptacles provided.
- m. Portable radios or tape players are not allowed unless used with a headset.
- n. For health and safety reasons, infants and toddlers who are not toilet trained and those who experience incontinence are not allowed in the pools and spas. **No one under fourteen (14) years of age** may be in a spa.
- o. A parent or parent-designated person above the age of 21 years of age must go with all children fourteen (14) years of age or younger into the pool area per California State Law.
- p. Skateboards or other wheeled devices are not allowed in the pool areas.
- q. Pets are not allowed in the pool areas.

## IX. TENNIS.

Tennis rules are set up by the Board of Directors upon recommendation from the Tennis Committee and Tennis Director and are enforced by the Board of Directors or their designee.

**A. Authorized players.** Subject to the rules, regulations, and fees named in this Section of the Rules and Regulations, all Owner Residents and guests of Owners or renters may play tennis at Deep Canyon Tennis Club.

1. **Owners.** The Owners of each unit shall designate persons to have privileges when owner is not in occupancy only. Any number of people may be listed; however, no more than four may play on any one day during prime-time hours without paying a guest fee.

2. **Guests.** As defined in Section I.C.3.

**B. Prime time.** Prime time is set up for the purposes of court scheduling and fees. Prime time is the four-hour period from 7:00 a.m. to 11:00 a.m. on every day from October 1 through May 31.

**C. Fees.** Fees are payable in advance for the term of the lease at the Association office. The facility fee will be payable on a per person per month (30 days).

1. **Owners.** There are no fees to Owners for tennis playing privileges, unless they exceed the four-at-a-time authorized above.

2. **Renters.**

a. Renters with a written lease for six months or longer on file with the Association Owner shall not have to pay any facility fees.

b. Renters with a lease for less than six months shall pay a facility fee set up by the Board. Fees are collected at the Association office.

3. **Guests.** Fees are based on prime time use from October 1 through May 31. Guest fees are collected by a representative appointed by the board.

**D. Court scheduling.**

1. A designated player must call, email or in person schedule foursome with the Tennis Director up to one week in advance of requesting court usage. On date of play court assignment and time will be listed on the Pro Shop blackboard and go to court at your designated time, please allow for point/play courtesy.

2. During prime time, doubles play has precedence over singles play. Singles play may occur at the discretion of the Tennis Director if no foursomes are waiting for court assignment.

3. Tennis players will take precedence over backboard/basketball play on court 11.

E Dress code. Proper tennis attire is required. No black-soled shoes are allowed. Men are not allowed to wear tank tops. Men's tennis t-shirts are acceptable.

## X. PICKLEBALL.

Pickleball rules are set up by the Board of Directors upon recommendation from the Pickleball Committee and are enforced by the Board of Directors.

A. **Authorized players.** Subject to the rules, regulations, and fees named in this Section of the Rules and Regulations. All Residents and Guests may play at Deep Canyon Tennis Club. Guests must pay a fee as set up by the Board of Directors or their designee.

B. **Fees.** Fees are payable in advance for the term of the lease at the Association office. The facility fee will be payable on a per person per month (30 days).

1. **Owners.** There are no fees to Owners for playing privileges, unless they exceed the four-at-a-time authorized above.

2. **Renters.**

a. Renters with a written lease for six months or longer on file with the Association shall not have to pay any fees.

b. Renters with a lease for less than six months shall pay a facility fee set up by the Board. Fees are collected at the Association office.

4. **Guests.** Fees are based on prime time use from October 1 through May 31. Guest fees are collected as appointed by the board.

## XI. SIGNS AND ADVERTISING FLYERS

A. **For sale or for lease signs.** No business signs or advertising may be displayed or distributed within the subdivision, except for one (1) "For Sale" or "For Lease" sign in the window of a unit. The Board may approve specific "Open House" time during which a sign may be placed on the exterior of the building of the participating unit. Such exterior sign must be removed promptly at the end of the specified Open House period. All

information on sign must be contained within 720 square inches (30" X 24").

**B. For sale or for lease flags, banners, balloons.** Except as allowed by law, no flags, banners, or balloons will be allowed to advertise a unit for sale or lease.

## **XII. STREETS/ VEHICLES/PARKING/CARPORTS**

### **A. Carports.**

**1** Each unit is assigned either one or two carports for its exclusive use. If uncertain which carports are assigned to a unit, check with the Association Manager. Owners and Renters must park in their assigned carports, not in guest parking.

**2** Carports are for parking only and are not to be used for unenclosed storage items. Permission must be obtained from the Architectural Committee to build any added storage closets in a carport.

**3** Carports may be used to park bicycles, motorcycles, cars or other passenger vehicles with an authorized parking decal or pass, but not any of the recreational vehicles defined in C below.

**4** All vehicles must be currently registered with current and valid licensed tags.

*a.* Low speed unenclosed vehicles referred to as "golf carts", "city cars", "urban transports", "golf cars", etc., will be classed as Golf Cars. Golf Cars can be recharged from a standard 110-volt outlet which exists in all DCTC carports with the installation of a smoke detector.

*b.* *Vehicle* Charging (110 volt) in Carport is allowed.

*c.* There will be a charge for this "garage" electricity. The fee will be per fiscal year with no pro-ration for part year usage. Upon payment the DCTC Office will issue a sticker for each Golf Car.

**5.** Highway passenger vehicles (cars, Truck, SUVs) that are powered by a hybrid drive system with 110-volt supplemental charging, i.e., "plug in hybrids" are also covered by this policy. (A higher fee than Golf Cars may be charged based on usage).

**6.** Electric highway vehicles e.g., Chevrolet Volt, Nissan Leaf, etc., are not covered by this policy and come under Electric Vehicle Charging Stations which require a Category III application.

## **B. Parking.**

1. Vehicles are prohibited from parking on any streets, lanes, or common area between the hours of 1:00 a.m. and 5:00 a.m., except in designated striped parking stalls.
2. No vehicle belonging to a Resident or his/her guest shall be parked in such a manner as to impede or prevent ready access to another's carport or trash area. There shall be no parking at any time in the lanes, except in the striped guest parking areas, including but not limited to the area in front of the resident's carport. Any vehicle parked on streets or lanes, in "No Parking" zones, blocking a driveway, or in any other unauthorized parking areas is subject to fines and removal at Owner's expense.
3. Parking of bicycles or motorcycles on sidewalks or planted areas is not allowed.
4. Commercial use vehicles are prohibited from parking on any streets or any common area or on any residential lot except while supplying service or upon written approval by the Association.
5. An inoperable vehicle may not be parked anywhere within the Deep Canyon Tennis Club subdivision, for more than ninety-six (96) hours.
6. Owners are allowed to park a maximum of two currently registered vehicles in the DCTC subdivision at any one time. This allowance is transferred to a renter if the unit is leased. Assigned carports will be used for parking of vehicles. If the unit has only one assigned carport, "Guest Parking" space may be used for the second vehicle. Vehicles that are too large to be accommodated in the carport can be covered as recreational vehicles.

## **C. Recreational Vehicles, Campers, Trailers, Motorhomes, Boats, and Utility Trailers.**

For purposes of this section, "recreational vehicle" shall be defined to include: all recreational vehicles, van conversions, motor homes, travel trailers, fifth wheels, tent trailers, trailers, camper shells, detached campers, boats, boat trailers, or other similar equipment or vehicles, with the exception of pickup trucks with camper shells and/or passenger vans not exceeding seven feet (7') in height (measured from ground level) and

eighteen feet (18') in length, which are used on a regular or recurring basis for basic transportation.

1. No recreational vehicle (as that term is defined above) shall be parked for more than 96 hours in any seven-day period on any part of the Deep Canyon Tennis Club subdivision. Any variance must be pre-approved through the Association.
2. Recreational vehicles are prohibited from using any electrical or water services within the Clubhouse and/or any lot and/or common area. Water obtained from hose bibs or irrigation systems may be unsafe for human consumption.
3. Camping in any recreational vehicle while parked within the Deep Canyon Tennis Club subdivision is prohibited.

**D. Speed Limits**

The maximum speed limit within the Deep Canyon Tennis Club subdivision is 25 miles per hour.

**E Vehicular Regulations.**

1. Any motor vehicle, including but not limited to automobiles, trucks, motorcycles, motorbikes, mini-bikes and/or scooters, which disturbs the quiet enjoyment of the Residents shall be prohibited from use within the Deep Canyon Tennis Club subdivision. Such motor vehicles must be driven in paved driveway areas only and not on sidewalks.
2. Reckless operation in or on any vehicle is prohibited.
3. Unlicensed drivers shall not be allowed to drive any motor vehicle on streets and common areas within the subdivision. Drivers with learner's permit must be accompanied by a licensed person.
4. Sleeping in any vehicle while parked within the Deep Canyon Tennis Club subdivision is prohibited.
5. No painting or spraying of vehicles or major vehicle maintenance shall be allowed within the subdivision.
6. Pedestrians shall have the right-of-way on all driveways and sidewalks in the subdivision.

## **F. Restrictions on paths, courts & pool decks.**

No wheeled vehicles/devices, such as bicycles, skateboards, scooters, roller blades, or the like are allowed on the sidewalks, tennis courts, or pool decks except for handicapped user devices, e.g., wheelchairs or walkers, small child conveyances, e.g., strollers, baby buggies, etc., and DCTC vehicles used by maintenance or landscape staff.

### **XIII. MISCELLANEOUS**

- A. Furniture, Fixtures or Equipment.** Except as authorized by the Association, no furniture, fixtures, or equipment owned by the Association shall be moved from assigned area by anyone.
- B. Garage Sales.** Garage sales shall not be allowed within the subdivision.
- C. Garbage and Refuse Disposal.**
  - 1. All rubbish, trash, and garbage shall be deposited in refuse bins provided by the Association in heavy-duty plastic bags, sealed tightly to avoid spillage or odor.
  - 2. Bulky refuse, such as wooden boxes, tires, batteries, and furniture must be removed by Owner and not left in or beside the refuse bins.
  - 3. No "wet" garbage is to be placed in the refuse bins.
- D. Laundry Drying.** There shall be no laundry hung outside to dry.
- E. Littering.** No littering allowed on any common area.
- F. Nuisances and Noise.** Disturbing noises that may interfere with the quiet enjoyment of others is prohibited.
- G. Radios and Television Antennas.** Except as allowed by Federal Communications Commission regulations, no television or radio antenna, tower, or satellite dish may be erected without the prior written consent of the Association. No overhead wiring (phone or electric) or other wire, rope, or cable shall be placed on a Unit above or below the ground without the prior written consent of the Association.
- H. Holiday Lighting.** Holiday lighting is approved from Thanksgiving through January 16<sup>th</sup>. Any holiday lighting must be removed after January 16<sup>th</sup>.
- I. Entry Area Objects.** A maximum of three free standing movable Entry Area objects including, but not limited to, welcome mats, chairs, benches, flowerpots, vases, sculptures, and artwork, shall be permitted for each unit. Objects shall have no moving parts, reflective surfaces, or lighting. Objects shall not be an aesthetic nuisance or convey any political message.

- J. **Flags and Banners.** One temporary flag or banner which does not exceed fifteen (15) square feet in size may be mounted in a bracket within a patio or "D" deck area and shall not extend into or over the Common Area.
- K. The use of charcoal and gas barbecue grills with fuel tanks more than 2.5 lbs. is prohibited within 10 feet of the structure.
- L. **No smoking.** Adopts City of Palm Desert, California Municipal Code, Title 8 Health and Safety, Chapter 8.36 Regulation and Prohibition of smoking which prohibits smoking in common area of multiunit residences and public places. Further incorporates common areas to include clubhouse, office, gym, pro shop, pro shop patio, clubhouse patio, swimming pools, tennis courts and pickleball courts.

#### **XIV. ENFORCEMENT PROCEDURE**

- A. **Step 1. Initiation.** A Violation Report is completed by any Owner, the Association Manager, or another designated representative of the Association.
- B. **Step 2. Verification.** Verification of a Violation Report for violations is done by a review of the Association's CC&Rs, Bylaws, Articles of Incorporation and Rules and Regulations (hereafter *Governing Documents*) and/or inspection. The Association Manager and/or another designated representative of the Association (as decided from time to time by the Board of Directors, herein "Designated Representative") shall decide, at his/her discretion, whether an inspection of the site is necessary and, if so, will inspect the site to verify the violation. Violation shall be defined as an act in direct conflict with the Association's Governing Documents, and/or local, county or state requirements. If the Association Manager and/or Designated Representative find that there is a violation, he/she shall send his/her determination to the Board of Directors to continue with the enforcement process to Step 3 below.
- C. **Step 3. Documentation.**
  - 1. **Non-Architectural Violations.**
    - a. A **Warning Notice** is completed by the Association Manager and/or Designated Representative and sent to the violating Owner. At



the discretion of the Association Manager and/or Designated Representative, this step may be skipped if, based on the seriousness of the violation, more immediate action is needed.

b. If the violation persists after two warnings have been issued or if the seriousness of the violation warrants immediate action, either (1) a **Violation Notice** is sent to the Owner, stating a deadline by which to cure the violation; or (2) (if the seriousness of the violation warrants immediate action) an **Expedited Hearing Notice** is sent stating a date on which a violation hearing will be conducted.

c. If a Violation Notice is sent and the violator does not take the necessary action by the deadline given, a **Hearing Notice** will be sent to the Owner, setting forth the date, place, and time where the Owner can be heard before the Board of Directors on the violation. Failure to appear could result in immediate discipline including, but not limited to, imposition of an Enforcement Assessment, and/or suspension of voting and common area privileges, including use of the recreational facilities. The Association must give at least ten (10) days, but no more than thirty (30) days written notice of the hearing to the violator before any action is taken, following Corporations Code 7341 and the Association's Governing Documents.

## 2 Architectural Violations.

a. Either (1) a **Violation Notice** is sent to the Owner, saying a deadline by which to cure the violation; or (2) (if the seriousness of the violation warrants immediate action) an **Expedited Hearing Notice** is sent, stating a date on which a violation hearing will be conducted. Examples of architectural violations are: If the Owner of the property has not sent the requisite documents to the Board of Directors or secured requisite approval from the Association. If the Owner of the property has obtained prior approval but has not followed the approved final plans and specifications of the proposed work.

b. If a Violation Notice is sent and the Owner does not take the necessary action by the deadline given, a Hearing Notice will be sent, setting forth the date, place, and time where the Owner can be heard before the Board of Directors on the violation. At this point, if construction is underway, a stop work order should be issued.

c. Failure to appear could result in immediate discipline including, but not limited to, imposition of an Enforcement Assessment and/or suspension of voting and common area privileges, including use of the recreational facilities. The Association must give at least ten (10) days, but

no more than thirty (30) days written notice of the hearing to the violator before any action is taken, following Corporations Code 7341 and the Association's Governing Documents.

#### **D. Step 4. Owner Hearing Procedure.**

1. **Finding of Fact and Recommended Action.** The Board of Directors must make specific findings as it related to the violation of the Governing Documents, noting them on the **Owner Hearing Procedure Form** and **Ruling Notice Form** with the facts that support its decision. The decision of the Association and action recommended/taken should also be noted on the Owner Hearing Procedure form. Note: If no violation is found, then no remedy is needed, and the Association would then issue a Ruling Notice per Step D. 3 below.
  
2. **Remedies.** If it is decided that a violation has taken place, the Association has the following remedies:
  - a. For architectural violations, all the remedies shown under b. through e. below, as well as:
    1. If it is decided a violation has taken place, the Association shall make findings of fact and request corrective action by the violating Owner, if appropriate.
  
    2. If the unauthorized improvement is not removed, repaired, replaced, or modified by the Owner (as applicable) within the time frame required by the Board of Directors, the Association would then send a demand letter to remedy the violation either
      - a. **Voting rights, operation of cable television service to the Owner's Unit, common area privileges, use of the recreational facilities, and/or any other privilege of any Owner or Person deriving rights from any Owner may be **suspended** for a period not to exceed six (6) months for each violation of the governing documents and/or for any period during which the Owner is delinquent in the payment of any assessment, fine or monetary penalty, or as otherwise provided in the Governing Documents.**
  
      - b. **Self Help Remedy for Continuing Violation.** If the violation of the governing documents continues and can be cured through a self-help remedy, the Board's action shall be to demand correction of the continuing violation and a date certain set upon which an Owner must comply (a reasonable period shall be given to the Owner) via the Notice

of Ruling. The Notice should further show that if the Owner does not comply within the time provided by the Association, the Association will bring the Owner into compliance and charge the cost of same to the Owner as an Enforcement Assessment.

For example, if an Owner's patio is becoming an eyesore for lack of maintenance, the Association can supply written notice to the violating Owner that he/she must supply the proper maintenance and that he/she is in violation of the Governing Documents. The Notice would further provide that the Owner has a specific (and reasonable) period to correct the deficiency. If the Owner does not correct said deficiency within the specified time given by the Association, the Association could then continue with the maintenance and charge the cost to the Owner as an Enforcement Assessment.

**c. Impose Enforcement Assessment.** Even if the violation is not of a continuing nature and does not lend itself to a self-help remedy, the Board still has the authority to impose an Enforcement Assessment for failure to follow the provisions of the Governing Documents. The Board may only impose an Enforcement Assessment after supplying notice and hearing to a violating Owner, per the minimum requirement set forth herein. The following Enforcement Assessment structure is based upon a reasonable determination of the costs (i.e., attorneys' fees, property management fees, etc.) spent by the Association in performing its functions in enforcing the Governing Documents, as well as the imposition of proper sanctions for violation of said Governing Documents:

First Violation:Written Warning Notice

Second Violation: Up to \$300.00

Third Violation:Up to \$500.00 plus possible legal action

**d. Other Potential Remedies/Sanctions.** Notwithstanding anything set forth here, the Board of Directors in its discretion shall have the power to require any other applicable remedy and/or sanction for as long as it considers necessary, provided, however, that said remedy/sanction is in accord with the Association's Governing Documents and law. If the violation is of such a serious nature that potential legal action is contemplated, the Association's general counsel should be consulted for determination whether Alternative

Dispute Resolution (ADR) should be offered to the violating Owner (as well as consideration of other potential remedies).

**3. Ruling Notice.** Regardless of what remedy the Board chooses to take, even if no violation is found, the Association must mail to the violating homeowner a Ruling Notice within ten (10) days after the date of hearing. If it is ruled that an Enforcement Assessment shall be imposed against the violator, then the Board must give notice of the Ruling to the violator and request payment of such assessment within thirty (30) days after the Ruling Notice is mailed. This is to be recorded in the Executive Session minutes or regular minutes, whichever is applicable.

**E. Step 5. Collection of Enforcement Assessments.**

Pursuant to the Association's collection policy and the CC&Rs, if an Enforcement Assessment was levied for failure to comply with the Governing Documents or for costs incurred by the Association in repair of damage to the Common Areas is not paid within thirty (30) days after mailing the Ruling Notice, then the Board may suspend the Owner's voting and/or common area privileges, as well as cable television services, after notice as set forth in the collection policy. In the event cable television services are suspended, the Owner may be assessed \$75.00 to reinstate the cable service.