



THE GAFFNEY GROUP, INC.

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September 26, 2024

Re: THE PALM SPRINGS DEAUVILLE HOMEOWNERS' ASSOCIATION
2024/2025 Annual Disclosure Packet

Dear Owner:

Enclosed please find the 2024/2025 Annual Disclosure Packet for The Palm Springs Deauville Homeowners' Association. This packet includes:

1. The 2024/2025 Pro Forma Operating Budget;
2. A summary of the Association's reserves;
3. A statement describing the Association's collection policies and practices;
4. A summary of the Association's insurance policies and Certificate of Insurance;
5. A summary of the provisions of Alternative Dispute Resolution (ADR);
6. A summary of the provisions of Internal Dispute Resolution (IDR);
7. A copy of the Association's architectural procedures;
8. Notice regarding assessments and foreclosure;
9. A copy of the Association's Rules and Regulations and Enforcement Procedures;
10. FHA Disclosure
11. VA Disclosure
12. Manager Disclosure Statement
13. Request for Annual Notice of Address, Representative, and Rental Status
14. Charges for Documents Provided as Required by Section 4525
15. Election by Acclamation Notice

In conjunction with the above, please note that **the monthly assessments for Fiscal Year 2024/2025 will be increased to \$515.00 per unit. The monthly land lease payment remains at \$245.00 per unit.** In 2024/2025 the Association will be placing \$260,000 in the reserve fund.

General notices will be posted on the Association's website, www.deauvillehoa.com.

The Association is obligated to inform owners, on an annual basis, of their right to obtain copies of the minutes of meetings of the Board of Directors, and how and where those minutes may be obtained. Board meeting minutes, minutes proposed for adoption that are marked to indicate a draft status, or a summary of the minutes of any meeting of the Board of Directors, other than executive session, shall be available to members within thirty (30) days of the meeting. The minutes may be picked up at the HOA office within a reasonable time after receipt of a request for minutes, or they may be mailed to you upon receipt by the HOA office of a written request. Minutes are also posted on the Association's website. Additionally, owners are advised that they may submit a request to receive notices to up to two different specified addresses, and you may opt in to receive general notices by individual delivery in addition to the designated posting location. You are also entitled to receive a copy of the Association's annual financial report, which will be distributed to each owner within 120 days after the end of the Association's fiscal year.

Should you have any questions regarding the enclosed information, please do not hesitate to contact me.

Sincerely,

THE PALM SPRINGS DEAUVILLE HOMEOWNERS' ASSOCIATION
Bobbie Gaffney

Bobbie Gaffney AMS, PCAM
Association Manager

THE PALM SPRINGS DEAUVILLE
2024/2025 OPERATING BUDGET

DESCRIPTION	2023/2024 ANNUAL BUDGET	PROJECTED ACTUAL	2024/2025 ANNUAL BUDGET	MONTHLY BUDGET	PER UNIT PER MONTH
INCOME					
Assessment Income	\$ 993,888	\$ 993,888	\$ 1,038,240	\$ 86,520.00	\$ 515.00
LL Assessment Income	\$ 493,920	\$ 493,920	\$ 493,920	\$ 41,160.00	\$ 245.00
LL Transfer	\$ (493,920)	\$ (493,920)	\$ (493,920)	\$ (41,160.00)	\$ (245.00)
Late Charges	\$ 1,200	\$ 5,000	\$ 3,000	\$ 250.00	\$ 1.49
Collection Fees	\$ 1,200	\$ 4,000	\$ 3,000	\$ 250.00	\$ 1.49
Entry Devices	\$ 1,500	\$ 1,600	\$ 1,500	\$ 125.00	\$ 0.74
Violations	\$ -	\$ 5,000	\$ 2,500	\$ 208.33	\$ 1.24
Prior Year Offset	\$ 25,000	\$ 25,000	\$ 10,000	\$ 833.33	\$ 4.96
Laundry Income	\$ -	\$ 674	\$ 500	\$ 41.67	\$ 0.25
Less Reserve Allocation	\$ (240,000)	\$ (240,000)	\$ (260,000)	\$ (21,666.67)	\$ (128.97)
TOTAL INCOME	\$ 782,788	\$ 795,162	\$ 798,740	\$ 66,562	\$ 396.20
DISBURSEMENTS					
UTILITIES					
Electricity	\$ 60,000	\$ 64,900	\$ 65,000	\$ 5,416.67	\$ 32.24
Gas	\$ 70,000	\$ 62,000	\$ 65,000	\$ 5,416.67	\$ 32.24
Water	\$ 50,000	\$ 66,000	\$ 67,000	\$ 5,583.33	\$ 33.23
Refuse	\$ 24,000	\$ 24,000	\$ 25,000	\$ 2,083.33	\$ 12.40
Telephone	\$ 1,700	\$ 1,900	\$ 2,000	\$ 166.67	\$ 0.99
Cable	\$ 76,385	\$ 77,400	\$ 81,900	\$ 6,825.00	\$ 40.63
Sewer	\$ 1,260	\$ 1,260	\$ 1,320	\$ 110.00	\$ 0.65
TOTAL UTILITIES	\$ 283,345	\$ 297,460	\$ 307,220	\$ 25,602	\$ 152.39
LANDSCAPE					
Contract Service	\$ 138,000	\$ 138,000	\$ 138,000	\$ 11,500.00	\$ 68.45
Landscape Extras	\$ 4,000	\$ 4,500	\$ 4,500	\$ 375.00	\$ 2.23
Reseeding	\$ 6,000	\$ 1,900	\$ 2,500	\$ 208.33	\$ 1.24
Annual Color /Flowers	\$ 6,000	\$ 6,000	\$ 6,000	\$ 500.00	\$ 2.98
Tree Trimming	\$ 25,000	\$ 25,300	\$ 26,000	\$ 2,166.67	\$ 12.90
Irrigation Repairs	\$ 10,000	\$ 12,200	\$ 12,000	\$ 1,000.00	\$ 5.95
TOTAL LANDSCAPE	\$ 189,000	\$ 187,900	\$ 189,000	\$ 15,750	\$ 93.75
POOLS, SPAS, FTNS					
Contract Service	\$ 45,600	\$ 45,600	\$ 45,600	\$ 3,800.00	\$ 22.62
Pool & Spa Extras	\$ 1,500	\$ 200	\$ 500	\$ 41.67	\$ 0.25
Pool & Spa Permits	\$ 2,568	\$ 2,500	\$ 2,600	\$ 216.67	\$ 1.29
TOTAL POOLS AND SPAS	\$ 49,668	\$ 48,300	\$ 48,700	\$ 4,058	\$ 24.16
COMMON AREA					
Monthly Pest Control	\$ 4,800	\$ 4,200	\$ 4,800	\$ 400.00	\$ 2.38
Electrical Repairs	\$ 3,500	\$ 2,500	\$ 3,000	\$ 250.00	\$ 1.49
Plumbing/Septic	\$ -	\$ 1,500	\$ 1,000	\$ 83.33	\$ 0.50
Janitorial Serv. & Supplies	\$ 5,000	\$ 4,500	\$ 5,000	\$ 416.67	\$ 2.48
Fitness Room	\$ 500	\$ -	\$ 500	\$ 41.67	\$ 0.25
Building Repairs	\$ 1,000	\$ 500	\$ 1,000	\$ 83.33	\$ 0.50
Dryer Vent Cleaning	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Inspection Fees	\$ 2,200	\$ 3,500	\$ 3,000	\$ 250.00	\$ 1.49
Gate Repairs	\$ 3,500	\$ 3,700	\$ 3,500	\$ 291.67	\$ 1.74
Security	\$ 500	\$ -	\$ 500	\$ 41.67	\$ 0.25
Roof Repairs	\$ 4,000	\$ 4,000	\$ 4,000	\$ 333.33	\$ 1.98
Roof Mtc. Contract	\$ 7,000	\$ 5,005	\$ 6,000	\$ 500.00	\$ 2.98
Fountains	\$ -	\$ -	\$ -	\$ -	\$ -
Common Area Maintenance	\$ 3,500	\$ 9,600	\$ 9,500	\$ 791.67	\$ 4.71
COMMON AREA TOTAL	\$ 35,500	\$ 39,005	\$ 41,800	\$ 3,483	\$ 20.73
MAINTENANCE/PR					
Maintenance Personnel	\$ 58,500	\$ 50,000	\$ 31,200	\$ 2,600.00	\$ 15.48
Maintenance Bonus	\$ 750	\$ -	\$ 500	\$ 41.67	\$ 0.25
Maintenance Auto & Cell	\$ 1,200	\$ 600	\$ -	\$ -	\$ -
Maintenance P/R Taxes	\$ 5,000	\$ 4,700	\$ 2,800	\$ 233.33	\$ 1.39
Maintenance IRA Contrib.	\$ 1,743	\$ 872	\$ -	\$ -	\$ -
Maintenance P/R Processing	\$ 3,600	\$ 2,700	\$ 1,800	\$ 150.00	\$ 0.89
Maintenance Insurance	\$ 4,500	\$ 7,000	\$ 3,600	\$ 300.00	\$ 1.79
MAINTENANCE TOTAL	\$ 75,293	\$ 65,872	\$ 39,900	\$ 3,325	\$ 19.79
ADMINISTRATION					
Management Service	\$ 38,880	\$ 38,880	\$ 40,020	\$ 3,335.00	\$ 19.85
Office Supplies	\$ 1,000	\$ 400	\$ 500	\$ 41.67	\$ 0.25
Audit / Tax Prep	\$ 2,500	\$ 2,550	\$ 2,700	\$ 225.00	\$ 1.34
Reserve Study	\$ 800	\$ 775	\$ 800	\$ 66.67	\$ 0.40
Insp. Of Elections	\$ 450	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 36,500	\$ 38,700	\$ 45,000	\$ 3,750.00	\$ 22.32
Earthquake Insurance	\$ 48,200	\$ 57,000	\$ 60,000	\$ 5,000.00	\$ 29.76
Income Taxes	\$ 3,000	\$ 2,946	\$ 3,000	\$ 250.00	\$ 1.49
Legal Fees	\$ 500	\$ 1,500	\$ 500	\$ 41.67	\$ 0.25
Land Lease - Legal	\$ 6,000	\$ 900	\$ 600	\$ 50.00	\$ 0.30
Entry Devices	\$ 1,500	\$ 1,600	\$ 1,500	\$ 125.00	\$ 0.74
Collection Costs	\$ 1,200	\$ 4,000	\$ 3,000	\$ 250.00	\$ 1.49
Board Expenses	\$ 1,800	\$ 1,000	\$ 1,000	\$ 83.33	\$ 0.50
Permits & Fees	\$ 45	\$ -	\$ 45	\$ 3.75	\$ 0.02
Postage and Printing	\$ 4,000	\$ 2,300	\$ 4,000	\$ 333.33	\$ 1.98
Miscellaneous Admin.	\$ 500	\$ 2,600	\$ 500	\$ 41.67	\$ 0.25
Storage Fees	\$ -	\$ -	\$ 1,200	\$ 100.00	\$ 0.60
Website	\$ 300	\$ 1,200	\$ 1,200	\$ 100.00	\$ 0.60
Contingency	\$ 2,807	\$ 4,250	\$ 6,555	\$ 546.25	\$ 3.25
TOTAL ADMINISTRATION	\$ 149,982	\$ 160,601	\$ 172,120	\$ 14,343	\$ 85.38
TOTAL EXPENSES	\$ 782,788	\$ 799,138	\$ 798,740	\$ 66,562	\$ 396.20
NET EXCESS/DEFICIT	\$ -	\$ (3,976)	\$ -	\$ -	\$ -

Reserve Summary

(As required by California Civil Code Section 5565)

PALM SPRINGS DEAUVILLE 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 PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 1.00% 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 October 31, 2024, the estimated ending reserve fund balance is \$943,000 and the estimated current replacement cost is \$4,599,274 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$7,193,801, 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 30.42%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$3,099,773.90 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 \$12,837.94. This is calculated by subtracting the ending balance (\$943,000) from the 100% funded figure (\$3,099,773.90), then divided by the number of ownership interests (168). 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 \$21,666.67 starting in 2025 (\$128.97 per unit per month for each of the 168 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included changes of 15.00% starting in 2026 for 3 years, 8.00% starting in 2029 for 1 year and 3.00% starting in 2030 for 25 years. The change is scheduled to take effect in the year 2026. 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.

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

Fiscal Year: November 1, 2024 through October 31, 2025

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Nov 01, 2024	Reserve Allocation	Additional Revenue	Interest
Access System	10 to 16	1 to 5	\$75,450	\$7,318	\$2,018	\$0	\$19
Asphalt & Concrete	4 to 28	0 to 16	\$150,811	\$12,985	\$3,580	\$0	\$34
Buildings, Awnings	1 to 50	0 to 0	\$198,050	\$156,127	\$43,047	\$0	\$408
Buildings, Decks & Stairs	0 to 30	0 to 29	\$1,014,300	\$184,050	\$50,745	\$0	\$481
Buildings, Plumbing & Mechanical	10 to 33	0 to 17	\$565,551	\$142,110	\$39,182	\$0	\$371
Buildings, Roofs	10 to 42	0 to 31	\$728,025	\$151,385	\$41,739	\$0	\$395
Deauville Room	8 to 40	0 to 23	\$82,750	\$7,718	\$2,128	\$0	\$20
Electrical & Lights	18 to 45	1 to 24	\$112,170	\$9,691	\$2,672	\$0	\$25
Fence & Gates	10 to 50	4 to 29	\$336,874	\$19,637	\$5,414	\$0	\$51
Fitness & Office	5 to 40	1 to 21	\$104,735	\$8,651	\$2,385	\$0	\$23
Irrigation	12 to 30	1 to 8	\$30,750	\$2,840	\$783	\$0	\$7
Landscape	10 to 10	4 to 9	\$71,472	\$2,099	\$579	\$0	\$5
Mailboxes	26 to 26	18 to 18	\$27,500	\$1,016	\$280	\$0	\$3
Paint	5 to 12	0 to 9	\$521,743	\$182,579	\$50,340	\$0	\$477
Pools & Spas	4 to 24	0 to 17	\$437,064	\$38,787	\$10,694	\$0	\$101
Tennis Courts	8 to 30	0 to 7	\$28,125	\$11,995	\$3,307	\$0	\$31
Water Features	6 to 30	1 to 25	\$113,905	\$4,014	\$1,107	\$0	\$10
Totals:			\$4,599,274	\$943,000	\$260,000	\$0	\$2,463

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



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending October 31, 2025

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

(1) The regular assessment per ownership interest is \$ _____ per month, of which approximately \$128.97 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 _____ 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 (see Funding Plan column, next page):	Amount per ownership interest per month:
15.00% starting in 2026 for 3 years, 8.00% starting in 2029 for 1 year and 3.00% starting in 2030 for 25 years	(Current amount) X (the increases)

(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 **\$2,580,413.42**, as of **October 31, 2025**, 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 **\$341,700.28**, resulting in reserves being **13.24%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$863,763**. (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 October 31, 2025

(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" 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" 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 **1.00%** 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
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2024	\$3,099,774	\$943,000	30.42%				
2025	\$2,580,413	\$341,700	13.24%	\$262,463	\$128.97	0.00%	\$863,763
2026	\$2,416,038	\$128,992	5.34%	\$299,359	\$148.31	15.00%	\$512,068
2027	\$2,588,082	\$285,078	11.02%	\$345,065	\$170.56	15.00%	\$188,979
2028	\$2,779,945	\$500,271	18.00%	\$398,510	\$196.14	15.00%	\$183,317
2029	\$3,013,002	\$775,244	25.73%	\$432,711	\$211.84	8.00%	\$157,737
2030	\$2,574,462	\$391,512	15.21%	\$441,920	\$218.19	3.00%	\$825,652
2031	\$2,781,403	\$653,341	23.49%	\$457,393	\$224.74	3.00%	\$195,563
2032	\$3,118,632	\$1,043,350	33.46%	\$474,750	\$231.48	3.00%	\$84,741
2033	\$3,344,683	\$1,322,420	39.54%	\$491,509	\$238.42	3.00%	\$212,439
2034	\$3,304,152	\$1,340,500	40.57%	\$506,151	\$245.58	3.00%	\$488,071
2035	\$3,270,657	\$1,371,136	41.92%	\$521,236	\$252.94	3.00%	\$490,599
2036	\$3,334,246	\$1,502,644	45.07%	\$537,730	\$260.53	3.00%	\$406,223
2037	\$3,746,619	\$1,980,035	52.85%	\$558,021	\$268.35	3.00%	\$80,630
2038	\$4,158,804	\$2,454,596	59.02%	\$578,900	\$276.40	3.00%	\$104,339
2039	\$4,508,733	\$2,865,602	63.56%	\$599,656	\$284.69	3.00%	\$188,650
2040	\$3,636,759	\$2,077,683	57.13%	\$609,455	\$293.23	3.00%	\$1,397,374
2041	\$3,581,783	\$2,113,446	59.01%	\$627,122	\$302.03	3.00%	\$591,358
2042	\$3,417,195	\$2,049,013	59.96%	\$644,705	\$311.09	3.00%	\$709,139
2043	\$3,630,025	\$2,364,155	65.13%	\$666,412	\$320.42	3.00%	\$351,270
2044	\$4,016,387	\$2,851,897	71.01%	\$690,484	\$330.03	3.00%	\$202,742
2045	\$3,904,843	\$2,850,880	73.01%	\$710,546	\$339.93	3.00%	\$711,563
2046	\$4,174,241	\$3,232,473	77.44%	\$734,649	\$350.13	3.00%	\$353,056
2047	\$4,606,869	\$3,776,090	81.97%	\$761,070	\$360.64	3.00%	\$217,454
2048	\$5,127,310	\$4,404,817	85.91%	\$789,002	\$371.46	3.00%	\$160,275
2049	\$5,528,817	\$4,914,458	88.89%	\$816,486	\$382.60	3.00%	\$306,845
2050	\$4,732,022	\$4,249,490	89.80%	\$833,393	\$394.08	3.00%	\$1,498,360
2051	\$5,099,647	\$4,749,539	93.13%	\$861,608	\$405.90	3.00%	\$361,560
2052	\$5,535,237	\$5,317,506	96.07%	\$891,668	\$418.08	3.00%	\$323,701
2053	\$6,180,310	\$6,091,006	98.56%	\$924,449	\$430.62	3.00%	\$150,948
2054	\$6,642,460	\$6,681,520	100.59%	\$956,325	\$443.54	3.00%	\$365,812
30-Year Sum:				\$18,422,748			\$12,684,229



Summary

In accordance with our proposal, 2017-071, SCT Reserve Consultants, Inc. is pleased to provide this **Level III Reserve Study Financial Update Report for PALM SPRINGS DEAUVILLE 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 August 8, 2023 for the 2024 budget year. This *condominium* common interest development (CID) is located at 500 East Amado Road, Palm Springs, CA 92262. We are using an inception date for the components of November 1, 1986. ***This study is for November 1, 2024 through October 31, 2025, 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 1.00% 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 \$12,837.94. This is calculated by subtracting the ending balance (\$943,000) from the 100% funded figure (\$3,099,773.90), then divided by the number of ownership interests (168). There is currently no requirement to be fully funded.



Summary (continued)

As of November 1, 2024, the estimated reserve fund balance is \$943,000 and the estimated current replacement cost is \$4,599,274 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$7,193,801, 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 PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION is 20.50%*.

The Association's level of funding for the fiscal year (November 1, 2024 through October 31, 2025) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **13.24%, and is referred to as *Percent Funded***. The Association would be 100.00% funded if there were \$2,580,413.42 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 \$21,666.67 starting in 2025 (\$128.97 per unit per month for each of the 168 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included changes of 15.00% starting in 2026 for 3 years, 8.00% starting in 2029 for 1 year and 3.00% starting in 2030 for 25 years. The change is scheduled to take effect in the year 2026.*** 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.

Sincerely,



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



***COLLECTION POLICY FOR
DELINQUENT ASSESSMENTS***

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***PALM SPRINGS DEAUVILLE
HOMEOWNERS ASSOCIATION***

*amended Jan 16, 2015

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (p) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

ASSESSMENT COLLECTION AND FULL PAY POLICY FOR ALL ASSESSMENTS

1. **DUE DATES:** All Regular Assessments shall be due and payable, in advance, in equal monthly installments, on the first day of each month. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed.

2. **PAYMENT RECEIPTS / OVERNIGHT PAYMENT LOCATION:** Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION

C/O The Gaffney Group
1111 E Tahquitz Canyon Way #107
Palm Springs, CA 92262

3. **APPLICATION:** Payments received on delinquent assessments shall be applied to the Owner's account as follows: payment shall be applied to the principal owed first. Payments on principal shall be applied to the Owner's account by the "balance forward payment" method, *i.e.*, in reverse order so that the oldest arrearages of the principal are retired first. Only after the principal owed is paid in full shall such payments be applied to interest, late charges, collection expenses, administration fees, attorneys' fees, or any other amount due to the Association which result in continued delinquencies.

4. **LATE CHARGE:** All assessments shall be delinquent if not paid within 15 days after they become due and will result in the imposition of a late charge of ten percent (10%) of the delinquent assessment. Furthermore, the Association shall be entitled to recover any reasonable collections costs, including attorneys' fees, that the Association then incurs in its efforts to collect the delinquent sums.

5. **INTEREST:** If an assessment payment is not paid within **thirty (30) days** of its original due date, interest may be imposed on all sums due, including the delinquent assessment, collection costs, and late charges, at an annual percentage rate of 12%.

6. **SECONDARY ADDRESS:** Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send additional copies of any collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

7. **PAY OR LIEN LETTER:** If an assessment payment from the Owner is not paid within **forty-five (45) days** after its original due date (for example, if an Owner fails to pay an assessment which was due on June 1 and the failure to pay continues through July 15, then the June assessment would not have been paid within 45 days after its original due date), a notice of delinquency (Pay or Lien Letter) shall be sent to the Owner by regular first-class mail and certified mail, return receipt requested. The Pay or Lien Letter shall provide at least 30 days' written notice to a delinquent Owner prior to recording an Assessment Lien and further provide an itemized statement of the charges owed, including a breakdown of: (a) the principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pay or Lien Letter.

8. **INTERNAL DISPUTE RESOLUTION PROCESS***: The Association shall offer to meet and confer with a delinquent owner to resolve any dispute related to the total amount due from the delinquent Owner to the Association and/or the Association's Collection Policy ("Meet and Confer Offer"). The Association's Meet and Confer Offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the delinquent Owner. An Owner who wishes to accept the Meet and Confer Offer must do so by submitting his/her/its written request to facilitate the meet and confer with the Association, which written request must be received by the Association within twenty (20) days of the date of the Meet and Confer Offer. The Association shall designate a prompt date and time for the meet and confer, at a location that shall either be the Association's principal office or another convenient location as designated by the Association. The Association shall designate a Board officer, along with its CID Manager to participate in the meet and confer with the delinquent Owner. Prior to recording a lien for delinquent assessments, the Association shall participate in any meet and confer so accepted by the delinquent Owner, provided, however, that the Owner's acceptance of the Association's Meet and Confer Offer is made within twenty (20) days of the date of the Meet and Confer Offer.

9. **SHOW CAUSE HEARING:** Additionally, a delinquent Owner may be given a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) 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; and/or (b) the Owner's privileges for use of the common area/recreational facilities; and /or (c) the Owner's bulk cable television privileges (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessment(s) ("Show Cause Hearing").

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

a. Written notice shall be mailed to the Owner not less than ten (10) days prior to the date of such hearing by first class or certified mail at Owner's last known 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;

* Pursuant to a 1994 California decision, *Park Place Estates Homeowners Association, Inc. v. Naber* (1994) 29 Cal.App. 4th 427, the appellate court held that homeowners have an independent obligation to pay monthly assessments and do not have a right to set off or withhold payments of assessments.

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, then 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 an open Board meeting, 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.

10. **ASSESSMENT LIEN:**

a. If the delinquent Owner does not bring his/her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors shall approve the recordation of an assessment lien against the delinquent Owner's property. The Board's decision to record the assessment lien shall be by a majority vote of a quorum of the Board members at an open Board meeting. The Board's action should refer to the unit/parcel/account number of the property that is delinquent, rather than the name of the owner. The Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorneys' fees. Recording this notice creates a lien, which is subject to foreclosure, against the delinquent Owner's property.

b. **At the same time, the Association shall advise the Association's collection agent/bank that it should accept no further monies from this delinquent Owner until the assessment lien has been paid in full.** Owners shall not send any assessment payments to the Association once the matter has been turned over to the Attorney for collection; such payments shall only be accepted by the law firm. Any payments delivered to the collection agent shall be forwarded to the attorney's office; the attorney shall then release the lien if payment in full was made by the delinquent Owner. A charge of up to \$425.00 for attorneys' fees shall be charged to the Owner at this stage (pursuant to *Civil Code* § 1366.3(a) 5650(a)).

11. **PRE-FORECLOSURE ACTIONS:**

a. No earlier than thirty (30) days after the Notice of Assessment lien has been recorded, the Association shall make a written pre-foreclosure offer to meet and confer with the delinquent Owner, consistent with the process identified in paragraph 8 herein (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty-five (35) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with *Civil Code* § ~~1369.50~~ 5925, *et. seq.* ("IDR/ADR Offer"). Owner shall have thirty-five (35) days from the date of the IDR/ADR Offer to decide whether or not Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

b. Prior to initiating foreclosure, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote of a quorum of the Board of Directors. The Board shall record the Board's executive session decision in the minutes of the next meeting of the Board open to the members by referencing the lot/parcel number of the property that is delinquent.

c. The Board of Directors shall not proceed with any form of foreclosure unless and until the amount of delinquent assessments (exclusive of any accelerated assessments, late charges, fees, costs of collection, attorney's fees or interest) equals or exceeds One Thousand Eight Hundred Dollars (\$1,800.00) or the assessments have been delinquent for more than twelve (12) months ("Threshold"). Once the Threshold has been met and all other requirements identified above have been completed, the Board may proceed with foreclosure of the assessment lien pursuant to the Association's governing documents and *Civil Code* ~~§1367~~ 5700. The procedure used shall be a private foreclosure, pursuant to *Civil Code* § 2924, et seq. and *Civil Code* ~~§1367~~ 5700. The foreclosure action shall include:

i. **A Notice of Default and Election to Sell shall be recorded** at the County Recorder's Office and a ninety-day reinstatement period shall begin.

ii. **A Title Report** shall be obtained from a title company at a cost of approximately \$350.00 and this shall also be charged to the delinquent Owner.

iii. Furthermore, an additional \$300.00 attorneys' fees and costs shall be charged at this stage.

12. If the Association determines that the property is over-encumbered, or otherwise makes a determination that a lawsuit is appropriate, the Association shall file a personal lawsuit against the delinquent Owner to recover all delinquent assessments owing to the Association. If a lawsuit is necessary to collect the delinquent assessments from the Owner, all expenses, costs and attorneys' fees in connection with said lawsuit, including but not limited to pre- and post- judgment costs for filing fees, personal service, witness fees, interest, execution of judgment and/or writ fees shall be recovered from the Owner defendant.

13. If the delinquency is still not cured ninety (90) days after the Notice of Default and Election to Sell was recorded, the attorney shall proceed to record and publish the **Notice of Trustee's Sale**. This Notice must also be published three (3) times during a three-week period and posted in a public place. At this final stage, there shall be additional publication costs, as well as attorneys' fees of \$125.00. If a non-judicial foreclosure sale is completed by the Association against the delinquent Owner's property, the Owner shall have the right to redeem the property for a period of time up to and including ninety (90) days after the date of the Trustee's Sale.

14. When a delinquent Owner has paid in full all delinquent assessments and charges, the attorney shall prepare a Release of Lien which shall be recorded in the County Recorder's Office of Riverside County, California within 21 days of receipt of the sums necessary to satisfy the delinquent amount and mail a copy of the lien release to the Owner of the residential unit.

15. PAYMENT PLAN STANDARDS: The Association hereby establishes the following payment plan standards:

a. **Payment Within 60 Days:** If an Owner can bring himself/herself/itself current within sixty (60) days, inclusive of assessments which accrue within the sixty (60) days of the payment plan, the Association will forbear filing an Assessment Lien and the Owner will not incur the Assessment Lien costs if the payment plan is strictly followed. The payment plan shall include an administrative cost of \$75.00. By agreeing to the 60 day payment plan, the Owner further agrees that if he/she/it fails to make any of the payments identified in the payment plan, the Association shall have the right to file an Assessment Lien without recommencing the pre-lien or Pay or Lien Notice process.

b. **Payment Exceeding 60 Days:** In light of the length of time of this payment plan, payment plans exceeding sixty (60) days shall require that the Association record its Assessment Lien to establish itself as a secured creditor. The payment plan shall also include an administrative cost of \$100.00 or \$25.00 per month of each month of the plan, whichever is great. All costs related to the recordation of the Assessment Lien shall be part of this payment plan. The payment plan would require payment of all delinquent assessments amortized over the length of the payment plan, along with all assessments which will accrue during the payment plan. The Association shall further require that the Owner sign a Forbearance Agreement which identifies his/her/its obligations of repayment consistent with the payment plan and further provides that if there is a default under the payment plan, the Association can proceed with the collection process as particularly identified within the Forbearance Agreement. Payment plans under this paragraph 15.b should normally not exceed six (6) months.

16. REQUEST FOR PAYMENT PLAN: An Owner may submit a written request to the Association for a payment plan consistent with either paragraph 15.a or 15.b above. An Owner can also submit a written request to meet with the Board to identify which payment plan the Owner chooses, as identified in paragraph 15. above. The Board is required to meet with the Owner in executive session within 45 days of the postmark of the request for the meeting, if the request is mailed within fifteen days of the date of the postmark of the Pay or Lien Notice. If there is no regularly scheduled board meeting within the 45 day timeline, the Board has designated the Assessment Dispute Resolution Committee to meet with the Owner.

17. PARTIAL PAYMENTS: Owners may make partial payments without a written payment plan; provided, however, that any such partial payment shall:

- a. not stop any collection action;
- b. not invalidate any assessment lien already filed;
- c. not stop an already existing non-judicial foreclosure action;
- d. not obviate the obligation to pay all collection fees and costs inclusive of late charges, interest, management fees/bookkeeping fees, title charges, lien fees and costs, trustee's fees and / or attorney's fees; and
- e. further require (due to the additional bookkeeping and other administrative expenses incurred with a partial payment) that any Owner who submits a partial payment (without an approved payment plan) will incur an administrative expense of \$45.00 for each partial payment tendered and received by, or on behalf of, the Association.

THE PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION

GROUND LEASE PAYMENT COLLECTION POLICY

1. **Due Dates.** All ground lease payments shall be due and payable, in advance, in equal monthly installments on the first day of each month.
2. **Application.** Payments received on delinquent lease payments will be applied to the Owner's account as follows: payment shall be applied to the principal owed first. Payments on principal shall be applied to the Owner's account by the "balance forward payment" method, *i.e.*, in reverse order so that the oldest arrearages of the principal are retired first. Only after the principal owed is paid in full shall such payments be applied to late charges, collection costs or any other amount due to the Association will result in continued delinquencies. If an Owner disputes any late charge or any other charge, the disputed item should be identified in writing by the Owner within sixty (60) days of the imposition of said charges.
3. **Late Charge.** If a ground lease payment not paid within ten (10) days after it becomes due, a late payment charge of six percent (6%) of the delinquent payment(s) shall be charged.
4. **Notice of Delinquency.** If a ground lease payment is delinquent for more than thirty (30) days, a Notice of Delinquency shall be sent to the owner, advising that if the delinquency is not paid within thirty (30) days thereafter, a Seventy-Five Dollar (\$75.00) administrative collection fee may be imposed.
5. **Option by Association.** In addition to all of the foregoing, if the owner is delinquent in his/her sublease payments AND the condominium assessments owed to the Association, then the Association may at its option pay such assessment from the ground lease account to the Association's general operating account to bring the assessments current. In such an event, the Association shall add the amount of any advancement for the payment of assessments to the amount owed under the ground sublease, which, if not paid, will be considered an additional default under the sublease pursuant to the terms of said Condominium Sublease.
6. **Final Demand Letter by Attorney.** If the ground lease payment has not been paid within ninety (90) days of its original due date, the delinquent owner and the lender, if applicable, will be sent a Final Demand Letter from the Association's attorney, advising that unless payment is made, the Condominium Sublease will be terminated. In order to reinstate the account, the owner shall be required to bring the delinquency current and reimburse the Association for the attorney's costs.
7. **Legal Action.** If, after the Final Demand Letter is sent, the delinquent owner and/or the lender fails to bring the ground lease payments current and pay all costs and expenses for collection within the time frame placed in the attorney's demand letter, the attorney will be instructed to take all legal action necessary to cure the default.

ADOPTED BY THE BOARD OF DIRECTORS — THE PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION

C/O The Gaffney Group
1111 E Tahquitz Canyon Way #107
Palm Springs, CA 92262
760-327-0301

**Resolution of Board of Directors of
PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION
a California Non-profit Mutual Benefit Corporation ("Association")**

Re: Board Resolution to Amend the Association's Collection Policy for Delinquent Ground Leases

WHEREAS, the Association adopted a Collection Policy for Delinquent Ground Leases ("DGL Collection Policy");

WHEREAS, the Board of Directors wishes to amend the Association's DGL Collection Policy;

WHEREAS, *Civil Code* Section 4355 provides that any proposed amendment which is an "issuance of a document that merely repeats existing law or the governing documents" is not subject to the rule change procedure set forth in *Civil Code* Section 4360.

NOW, THEREFORE, the above-referenced DGL Collection Policy is hereby amended as more particularly identified in the DGL Collection Policy attached hereto as Exhibit A and made a part hereof by reference.

BE IT FURTHER RESOLVED, that the Board of Directors directs Association's Management staff to disseminate a copy of this Resolution to all members (via General Notice, if applicable) within 15 days of adoption.

CERTIFICATE OF SECRETARY

I certify that I am the duly qualified and acting secretary of Palm Springs Deauville Homeowners Association, a California nonprofit mutual benefit corporation. The foregoing is a true and correct copy of the Resolution duly adopted by the Board of Directors of the corporation at a meeting held on 3-13-15, and entered in the minutes of such meeting in the Minute Book of the corporation. The Resolution is in conformity with the Articles of Incorporation and the Bylaws of the corporation and has never been modified or appealed and is, as of now, in full force and effect.

DATE: 9-11-15

Palm Springs Deauville Homeowners Association
A California Non-profit Mutual Benefit Corporation

By: 

Secretary

* A member who would like a copy of the Collection Policy referenced herein showing the revisions should contact the Association office for said copy either in person, by email or by phone.



GOLDEN ALLIANCE INSURANCE

INSURANCE NOTIFICATION – CALIFORNIA CIVIL CODE 5300

Palm Springs Deauville HOA C/O The Gaffney Group

1. PROPERTY INSURANCE

Name of Insurer	Accelerant National Insurance
Policy Limits	\$ 35,383,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$ 10,000

2. GENERAL LIABILITY INSURANCE

Name of Insurer	Accelerant National Insurance
Policy Limits	\$1,000,000/\$2,000,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$5,000

3. DIRECTORS AND OFFICERS INSURANCE

Name of Insurer	Philadelphia Insurance
Policy Limits	\$1,000,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$1,000

4. WORKERS COMPENSATION INSURANCE

Name of Insurer	AmTrust Insurance
Policy Limits	\$ 1,000,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$ 0

5. UMBRELLA INSURANCE

Name of Insurer	Allied World Insurance
Policy Limits	\$10,000,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$0

6. FIDELITY BOND INSURANCE

Name of Insurer	PMA Insurance
Policy Limits	\$1,500,000
Policy Begins	10/01/2023
Policy Ends	10/01/2024
Deductible	\$1,000

EARTHQUAKE INSURANCE

Name of Insurer	
Policy Limits	
Policy Begins	
Policy Ends	
Deductible	



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 (818)584-8044
Fax (818)292-8963
www.GoldenAllianceInsurance.com
License # 0G71731



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/25/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Golden Alliance Insurance 30495 Canwood St Ste. 202 Agoura Hills, CA 91301 (818)584-8044	CONTACT NAME: EOI Direct
	PHONE (A/C, No, Ext): (877)456-3643 FAX (A/C, No):
	E-MAIL ADDRESS: Help@EOIDirect.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Accelerant National Insurance	NAIC #: 16890
INSURER B: Allied World Insurance	22730
INSURER C: AmTrust Insurance	51578
INSURER D: Philadelphia Insurance	18058
INSURER E: PMA Insurance	12262
INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR YVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		N030PK0757-01	10/01/23	10/01/24	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/OP AGG \$2,000,000 Deductible \$5,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X		N030PK0757-01	10/01/23	10/01/24	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$	X		0313-5686-2031853	10/01/23	10/01/24	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WWC3663145	10/01/23	10/01/24	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Building	X		N030PK0757-01	10/01/23	10/01/24	Ded \$10,000 Limit \$35,383,000
D	D&O	X		PCAP030402-0321	10/01/23	10/01/24	Ded \$1,000 Limit \$1,000,000
E	Crime	X		4123011275916Y	10/01/23	10/01/24	Ded \$1,000 Limit \$1,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Units: 168 100% Special Form Guaranteed Replacement Cost
Single Entity Coverage Build Back to Builders Grade, Betterments and Improvements are Unit Owners Responsibility.
Building Ordinance and Law Endorsement Coverage Included. Property Manager is an Additional Insured.
Boiler Machinery and Equipment Breakdown Coverage Included. 10 Day Minimum Notice for any Change or Cancellation.
Separation of Insureds Included.

CERTIFICATE HOLDER The Gaffney Group 1111 E. Tahquitz Canyon Way Suite 107 Palm Springs, CA 92262	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Brian Berce

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SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCEDURES
SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

Internal Dispute Resolution
(Civil Code §§ 5900 - 5920)

Pursuant to *Civil Code* § 5905, the Association is required to provide a fair, reasonable and expeditious dispute resolution procedure. The Association adopts the following Internal Dispute Resolution Procedure to apply to disputes between the Association and an Owner regarding their respective rights, duties or liabilities pursuant to the Davis-Stirling Common Interest Development Act, the Non-Profit Mutual Benefit Corporation Law, or the Association's Governing Documents:

1. The party may request, in writing, that the other party meet and confer in an effort to resolve the dispute.
2. A Member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The party receiving a request must respond within a reasonable time and in no event later than 15 business days after the request is mailed. If a Member does not respond within this time frame that Member will be deemed to have rejected the request.
4. If the request is accepted, the parties shall, in good faith, coordinate the meeting to take place within 30 days of acceptance at a mutually convenient time and place. If, through no fault of the Association, the parties are unable to schedule the meeting within this time frame, the requirements of Civil Code Section 5900 et. seq. will be deemed to have been met unless the parties mutually agree to extend this time frame.
5. The Association's board of directors may designate a member or members of the board to meet and confer with the Member. The Association's community manager, relevant expert and/or legal counsel may attend the meeting at the Association's sole cost. If the Association intends to have legal counsel present at the meeting, the Member shall be advised at least 10 days prior to the meeting.
6. The Member may be assisted at the meeting by an attorney or other person at the Member's sole cost. If the Member intends to have an attorney present at the meeting, the Member must advise the Association at least 10 days in advance of the meeting. If the Member does not provide this required notice and attends the meeting with an attorney, the meeting will not take place. Thereafter the Association will have the right to either reschedule the meeting or determine the requirements to have been fulfilled without a subsequent meeting.
7. At the meeting the parties shall explain their positions to each other, and confer in good faith in an effort to resolve the dispute. Discussions at the meeting are not confidential unless all attendees sign a confidentiality agreement.
8. A resolution of the dispute reached at the meeting binds the parties and is judicially enforceable if the following conditions are satisfied:

- i. The agreement is not in conflict with the law or the Governing Documents of the Association.
 - ii. The agreement is either consistent with the authority granted by the Board of Directors to its designee(s) or the agreement is ratified by the board of directors.
 - iii. The agreement is in writing and is signed by all parties, including the Board designee(s).
9. A member of the Association may not be charged a fee by the Association to participate in the IDR process. The parties may mutually agree to make use of local dispute resolution programs. If these programs are agreed to by the parties, the parties shall split the costs thereof.
10. The Association is not obligated to agree to use a mediator for IDR or to contribute towards any of the costs of that mediator and will not do so, unless agreed to in writing, in advance.

Alternative Dispute Resolution (ADR)
(Civil Code §§ 5925 - 5965)

Each year, pursuant to *Civil Code* § 5965, the Association is required to notify the Owners of the requirements for Alternative Dispute Resolution (“ADR”) for disputes regarding the enforcement of the Davis-Stirling Common Interest Development Act (*Civil Code* §§ 4000 - 6150), the Nonprofit Mutual Benefit Corporation Law (*Corporations Code* §§ 7110 - 8910) or the Governing Documents of the Association. ADR means mediation, arbitration, conciliation or other non-judicial procedure that involves a neutral party in the decision-making process, and may be binding or non-binding with the voluntary consent of the parties.

Prior to an Owner or the Association filing an enforcement action in the Superior Court solely for declaratory, injunctive or writ relief, or for relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in *Code of Civil Procedure* §§ 116.220 and 116.221, the parties shall have endeavored to submit their dispute to alternative dispute resolution. [*Civil Code* § 5930] The pre-litigation ADR requirement does not apply to small claims actions or an assessment dispute except as otherwise provided by law. Any party to the dispute may initiate the process by serving on all other parties in the dispute a Request for Resolution by ADR. The Request for Resolution must contain: (1) a brief description of the dispute between the parties; (2) a request for alternative dispute resolution; and (3) a notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or the request will be deemed rejected. The Request for Resolution must be served by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide actual notice of the Request. A copy of the following Civil Code sections must accompany the Request.

The Association is required to provide the following language with this summary:

Failure of a 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 the member’s right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

CIVIL CODE §§ 5925 - 5965

Civil Code § 5925 Definitions

As used in this article:

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this act.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents.

Civil Code § 5930 ADR Prerequisite to Enforcement Action

(a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

Civil Code § 5935 Request for Resolution

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

Civil Code § 5940 ADR Process

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

Civil Code § 5945 Tolling of Statute of Limitations

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

Civil Code § 5950 Certification of Efforts to Resolve Dispute

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

Civil Code § 5955 Stay of Litigation for Dispute Resolution

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

Civil Code § 5960 Attorney's Fees

In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Civil Code § 5965 Notice in Annual Policy Statement

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

“Failure of a 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 the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

THE PALM SPRINGS DEAUVILLE HOMEOWNERS ASSOCIATION

ARCHITECTURAL RULES

REVISED 2020

In order to preserve the iconic harmonious design of the Palm Springs Deauville for the benefit of the homeowners, the Board of Directors has adopted the following Architectural Rules by the authority given to it in the Restated 2012 CC&Rs – Article 7. 7. These rules are to be administered by the Architectural Committee, providing a way for homeowners to make modifications and improvements to their property consistent with the CC&Rs Article 7 and with the Rules and Regulations under the heading “Individual Units”.

- 1) No architectural modifications which would have a material effect on another unit or common area shall be made to a homeowner’s unit without review and approval by the Architectural Committee. That approval authority was confirmed by the Board of Directors at the 2/21/2020 Board meeting.

- a. Exterior: Architectural modifications or additions to the exterior of a unit require Architectural Committee approval. Examples include changes or additions to roofs, walls, stairs, railings, gates, patio surfaces, awnings, doors, sliding glass doors, windows, screens, screen doors, light fixtures, fans, plumbing, and installation of electrical devices.

Items placed or stored on patio or deck walls, ledges, or railings require approval. (R&R Individual Units #6.)

- b. Interior: For the purpose of these rules, architectural modifications to the interior of a unit may require approval.
 - i. Construction changes to walls, ceilings, or floors require approval.
 - ii. Modifications which would have the effect of increasing sound transmission to other units require approval. For second floor units this includes solid surface flooring, and carpeting with pad. Examples are tile, stone, solid wood, engineered wood, laminate, parquet, luxury vinyl tile, luxury vinyl plank, and sheet vinyl. Pad

used under carpeting is to be the pad recommended by the carpet manufacturer. When carpet is replaced, the pad is to be replaced as well.

Solid surface flooring is acceptable in water areas (kitchen, bathrooms, and laundry) with use of the approved underlayment. Solid surface flooring is also approved for the front entry for the square area covered by the entry door swing. (See the Deauville website or on-site Property Supervisor for approved underlayments.)

2. Architectural Request Procedure: Architectural modification approval is requested by completing an Architectural Request Form available on the Deauville website or from the on-site Property Supervisor. Engineering may be required for approval at the expense of the applicant. Submission instructions are on the Architectural Request Form. No work on the modification can begin prior to Architectural Committee approval.

3. Architectural Request Approval/Denial: The Architectural Committee will review the request and issue a decision in writing within 60 days of submittal. (CC&Rs 7.4.2)

Approval by the Architectural Committee does not constitute approval by the City, nor does approval by the City constitute approval by the Architectural Committee. (CC&Rs 7.14)

4. Appeal: If the request is denied, an appeal may be made in writing to the HOA Board within 15 days of denial. The Board will issue its decision within 60 days of the appeal. (CC&Rs 7.1)

5. Inspections: Required inspections of Architectural Requests are to be completed by the on-site Property Supervisor or a member of the Architectural Committee. A written notice of inspection results will be provided to the owner after inspection. Inspections that are not approved require prompt correction and another inspection requested. Upon completion, an approved Inspection Certificate will be given to the owner.

6. City Permits: Permits may be required. Electrical and plumbing modifications are to be completed only by licensed contractors if not inspected under city permit.

7. Hours of Work: All work shall be conducted between 7:00 am and 7:00 pm weekdays, 8:00 am and 5:00 pm Saturdays, and not allowed on Sundays or on Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day, or New Year's Day consistent with hours of the City of Palm Springs.
8. Maintenance of Modifications: The repair and maintenance of any modification will be the responsibility of the owner making the modification and any subsequent owners.
9. Enforcement: Failure to obtain the necessary approval from the Architectural Committee constitutes a violation of the Restated 2012 CC&Rs and may require removal of the modification at the expense of the homeowner.
10. Violations: Any homeowner has the right to bring any violation of these Architectural Rules to the attention of the Architectural Committee.
11. Conditions Not Covered: Any conditions not covered or materials not contained within these Architectural Rules shall become a matter of judgment on the part of the Architectural Committee.

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 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 the 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 Section 5720 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.

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 member's guests, if the governing documents provide for this.

The association must comply with the requirements of Section 5660 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.

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 a method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has the right to review the association's records to verify the debt.

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 dispute an assessment debt by submitting a written request for dispute resolution to the association. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution, 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.

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)



RULES AND REGULATIONS

ADOPTED SEPTEMBER 20, 2024

CONTENTS

Introduction	1
Antennas and Satellite Dishes	6
Bicycle Storage	16
Common Area	4
Conduct	5
Criminal or Suspicious Activity	16
Deauville Room	11
Enforcement of Rules and Regulations	2
Exercise Facility	11
Garbage and Recycling	7
Individual Units	5
Long Term Parking	14
Meetings	16
Motor Vehicles and Parking	12
Noise	9
Pets	8
Pools and Spas	9
Renter and Guest Parking	13
Smoking	4
Storage Rooms	14
Tennis Courts	10
Unit Sales and Leasing Procedures	15
Window Covering	8

THE PALM SPRINGS DEAUVILLE HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
EFFECTIVE SEPTEMBER 17, 2021
INTRODUCTION

The social success of a condominium community depends, in large part, on an association's rules, regulations and restrictions. Your Board of Directors has adopted the following "ASSOCIATION RULES AND REGULATIONS", hereinafter referred to as "Rules and Regulations" to enhance the enjoyment and tranquility for all persons living in the Association community. Typically, the CC&Rs subject all homeowners to general covenants, while Rules and Regulations provide specific guidelines for day-to-day living. These Rules and Regulations do not supersede or change the Bylaws or CC&Rs in any manner. They are specific interpretations of the CC&Rs and Bylaws and exist to create clarity and specific guidelines where the CC&Rs and Bylaws lack such detail.

Wherever the word "Owner" appears in this document, it will include any and all tenants, residents, guests, families, and/or occupants living in the Association, as well as their families and guests while in the Association community.

Owners shall be responsible for their tenants', guests', and families' actions and adherence to the Rules and Regulations of the Association. Each Owner shall be responsible for providing their tenants with a current copy of the Association's Rules and Regulations.

The monthly Association maintenance assessments depend, in large measure, on the care and consideration exercised by each and every Owner and their tenants and guests. These Rules and Regulations are designed to foster an environment of care and consideration and a pride of ownership which will result in the long term sustainability of the Association community. Lack of care and consideration for the Common Area property creates high maintenance, repair and replacement costs. An increase in the frequency of Common Area maintenance that is not due to normal wear and tear, but rather due to the negligence or intentional misconduct of a few, could result in each Owner's monthly assessments increasing to cover these expenses.

If this document contains any restriction based on race, color, religion, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, gender information, national origin, source of income as defined in California Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Sections 12956.2 of the California Government Code.

Finally, please make any inquiries regarding the Association or report any Governing Document violations to the Association's management company, The Gaffney Group, Inc., 1111 E. Tahquitz Canyon Way, Suite 107, Palm Springs, CA, 92262. (760) 327-0301.

Do not make your complaints directly to the Association's Board members. No Board member may make a unilateral decision or take any unilateral action regarding any matter which has not been decided by a quorum of the Board members.

ENFORCEMENT OF RULES AND REGULATIONS

In order to enforce the CC&Rs, Bylaws, Articles of Incorporation and Rules and Regulations, the Board of Directors may levy, assess, and collect reasonable fines and costs as established by the Board of Directors. The fines will be assessed against the Owner for violations by the Owner, members of their family, invitees, licensees, guests, tenants, or lessees of such Owner.

THE STANDARD PROCESS AND SCHEDULE OF FINES TO BE LEVIED IN THE CASE OF VIOLATIONS ARE AS FOLLOWS:

1. SCHEDULE OF NOTICES

A. First Offense: Warning Letter to Owner.

The Warning Letter will contain a description of the violation, instructions regarding response to the letter and the actions required to correct the violation.

Notwithstanding the foregoing, the Board may determine, in its sole discretion, that the violation is of a nature or severity that no warning letter will be issued and the violation will be subject to immediate notice and opportunity for hearing to impose disciplinary action, including monetary penalties.

B. Second Offense and Subsequent Offenses Hearing Letter to Owner.

If the violation continues, not corrected to the Board's satisfaction if correction is possible, or is repeated, or the Board has determined no warning letter will be issued, the Board may call the Owner to a hearing. The hearing notice shall be given not less than ten (10) days prior to the date of the hearing before the Board. The notice shall include the date, time, and location of the hearing, the nature of the alleged violation, and a statement that the Owner has the right to attend the hearing and may address the Board at the hearing. Pursuant to Article 4, Section 4.13 of the Bylaws, the hearing shall be held in an executive session of the Board.

Notwithstanding the foregoing and pursuant to Article 4, Section 4.13.3 of the Bylaws, under circumstances involving conduct that constitutes either (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (b) a traffic or fire hazard; or (c) a threat of material damage to, or destruction of, the Common Area, the Board or its agents may undertake immediate corrective action or disciplinary action and conduct a hearing as soon thereafter as possible, if either (1) requested by the offending Owner within five (5) days following the Association's action(s), or (2) on its own initiative.

2. HEARING PROCEDURE

If an Owner does not attend the hearing or provide a written response to the hearing notice, the hearing may nevertheless proceed on the date and time specified in the hearing notice. It is the discretion of the Board to postpone a hearing to a later date and time.

If, at the hearing, the Board imposes disciplinary action against the Owner, the Board shall notify that Owner, in writing, within fifteen (15) days following the Board's decision to take action.

Pursuant to Section 4.13 of the Bylaws, the Association may discipline Owners for violating any of the provisions of the Governing Documents in the following ways: (1) suspending the Owner's membership rights, the Member's privileges to use the Common Area facilities, the Member's rights to use cable television services (if the Association has entered into a bulk cable agreement), as well as other privileges granted to Owners in good standing and/or (2) imposing monetary penalties/fines.

Any Owner's membership privileges may be suspended (a) for up to six (6) months for any violation of the Governing Documents and (b) during any period of time that the Owner is delinquent in the payment of assessments until such time that the Owner remits all monies due, including any and all collection costs.

If the Board decides to take disciplinary action against an Owner, such action shall become effective five (5) days after written notice of the Board's decision to impose such discipline is provided to the Owner.

Please note that an Owner will not be called to additional hearings for certain ongoing, persistent and uninterrupted violations (such as an uncorrected architectural violation) of the CC&Rs and/or the Rules and Regulations. Instead, the Owner will be assessed additional fines, in the amount of \$100 minimum, on a daily basis, in accordance with the Association's Schedule of Costs, until the violation is cured.

If the violation continues, or is repeated, the Board may also refer the matter to the Association's legal counsel. If required by Civil Code Sections 5905 or 5930, alternative dispute resolution will be offered. The Owner may be liable for the Association's legal costs and fees.

3. SCHEDULE OF COSTS

- | | |
|---|-------------------------------------|
| A. First Violation: | Fine up to \$100.00 |
| B. First Violation for Rental Offense: | Fine of \$2,500.00 |
| C. Second Violation: | Fine up to \$200.00 |
| D. Second Violation for Rental Offense: | Fine of \$5,000.00 |
| E. Third Violation: | Fine up to \$500.00 |
| F. Third Violation for Rental Offense: | Fine of \$7,500.00 |
| G. Fourth Rental Offense: | Fine of \$10,000.00 |
| H. Subsequent Violations by Previous Offenders: | As Determined by Board of Directors |

1. The list above is not intended to be all-inclusive. Additions may be made as required. Fines, etc., may vary and may increase depending upon the circumstances and the Board shall have the discretion to levy fines up to and not to exceed \$1,000 (excluding rental violations) should the nature of the circumstances warrant. Fines, etc., are assessed at the discretion of the Board of Directors; the amounts shall be predicated upon the severity of the violation and may include legal action. A clerical fee, not to exceed \$100, may also be assessed in addition to the fine for the administrative costs of the hearing if a fine is imposed.
2. Pursuant to Article 4, Section 4.5 and Article 6, Section 6.2 of the CC&Rs, the Board may, pursuant to the notice and hearing procedures outlined above, levy a Reimbursement Assessment against an Owner whenever (1) the Association performs any services or accomplishes any item of repair or maintenance which is the duty of the Owner to perform, but which has not been performed by the Owner, or (2) an

Owner or his/her tenants, guests, lessees, licensees, invitees, and/or family damages the Common Area or any other item over which the Association has control and there are costs of repairing, restoring, or replacing the Common Area or other such item to working condition, pre-existing condition, or to a condition the Board considers aesthetically acceptable, or (3) if there are any costs which by law or as required by the Governing Documents must be reimbursed by an Owner.

3. Pursuant to Article 4, Section 4.5 of the CC&Rs, all legal fees or costs, including late fees and interest, incurred by the Association to bring an Owner into compliance with the Governing Documents may be levied against an Owner by way of an Enforcement Assessment.
4. Anyone wishing to report an alleged violation of the Rules and Regulations or CC&Rs may do so by contacting the Association's management company. Violations should be reported in writing. Note that some violations may require the verification of additional Owners before any enforcement action proceeds.
5. Failure to pay any fines or Reimbursement Assessments within thirty (30) days may result in the filing of appropriate legal action.

COMMON AREA

Common Area sidewalks, driveways, or passageways shall not be obstructed or used by any Owner for any purpose other than entrance to and exit from the homes.

1. Use of Common Area is limited to the Owners, their families, tenants, and guests.
2. Pursuant to Civil Code Section 4515, Owners and residents can use the Common Areas during reasonable hours and in a reasonable manner, including the Deauville Room, to peacefully meet with members, residents, invitees, or guests for any purpose related to common interest development living, association elections, legislation, election to public office, referendums, or recall processes. Members or residents may also invite public officials, candidates for public office, or representatives of homeowner organizations to meet with members, residents and their invitees or guests to speak on matters of public interest and may use the Common Areas to hold a peaceful gathering for such a purpose. The Association shall not require the member(s) or resident(s) to pay a fee, make a deposit, obtain liability insurance, or pay the premium or deductible on the Association's insurance policy if the Common Area is to be used by members or residents for the above described purposes.
3. Leaving pet food in Common Areas is forbidden as it can attract rodents and other pests.
4. Use of skateboards, rollerblades, kick scooters, and other such devices is prohibited.

SMOKING

To ensure the health and safety of all Owners, residents, and guests, smoking is only permitted within individual units. **SMOKING IS PROHIBITED ON INDIVIDUAL PATIOS, DECKS, AND IN ALL COMMON AREAS.**

CONDUCT

The Palm Springs Deauville believes in a courteous, inclusive, respectful and welcoming environment for all Owners, residents and guests.

While on the Deauville property all Owners, family members, guests, tenants, visitors, management or service providers are expected to treat everyone with courtesy and respect. The following list of behaviors in the Common Area of the property will not be tolerated:

1. Improper conduct as defined by the CC&Rs and these Rules and Regulations;
2. Use of obscenities or offensive or abusive language;
3. Verbal or physical threats or gestures;
4. Any actions causing a hostile living environment;
5. Actions causing a health or safety threat;
6. Any activity or condition which creates a nuisance and interferes with the quiet enjoyment of other residents;
7. Unreasonable noise disturbances;
8. Intoxication.

Owners are responsible for the conduct of family, guests, tenants, hired service personnel, vendors and contractors. The Association has a zero discrimination policy.

Board of Directors, Committee Members, Association vendors, and Management shall not be reprimanded, threatened, or harassed in any way by Owners, residents, tenants, guests, or invitees.

Complaints/comments regarding the Association, any of its volunteers or vendors, or the Association's management company should be directed to the Association's management company.

Attendees of Board of Directors, Committee, or Member meetings must be respectful, maintain professional behavior and refrain from disruptive, hostile, violent, threatening, or harassing behavior.

Members of your Board of Directors are community members also and have a right to peaceful and quiet use of their property and the Common Area. Being elected to the Board does not in any fashion waive the rights your Board maintains as fellow Owners and occupants. Please respect their privacy by not accosting them and by reporting matters to the Association's management company.

INDIVIDUAL UNITS

1. Pursuant to Article 7, Section 7.1 of the CC&Rs, exterior alterations or additions of any type are not permitted without the written consent of the Board of Directors. (See the Association's Architectural Rules).
2. Display of commercial signs is prohibited. Non-commercial signs, posters, flags, and banners may be displayed unless prohibited for the protection of public health or safety or if the posting or display violates a local, state, or federal law. A non-commercial sign, poster, flag or banner may be made of paper,

cardboard, cloth, plastic, or fabric, and may be posted or displayed from a window or door of the unit. Non-commercial signs, posters, flags, and banners may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping or decorative component, or include the painting of architectural surfaces.

3. No odor shall be permitted to arise or emanate from any Unit so as to render the neighborhood, community, or Common Area property or any portion thereof unsanitary, unsightly, offensive, hazardous, or detrimental to the welfare and health of any other Owner or resident.
4. Exterior painting of the Units by an individual Owner is not permitted.
5. State and local ordinances must be observed when explosives or flammable liquids are brought into individual Units. Gas powered vehicles or fuel tanks are prohibited inside the Units.
6. Patios and decks shall be kept in a state of neatness and cleanliness at all times. Only usual and customary patio furniture, in good repair, is permitted. To ensure a consistent view the following are not permitted: unsightly storage units, boxes, cleaning items, excess furniture, tires, construction materials, tools, ladders, garbage bags, play structures, swing sets, motorcycles, bicycles, exercise equipment, etc. Nothing may be stored or placed on the patio or deck walls, ledges, or railings without prior approval from the Architectural Committee.
7. Awnings are permitted in the customary Deauville Blue with white trim and regular maintenance is the responsibility of the Owner.
8. Umbrellas are permitted in the solid customary Deauville Blue, or solid white. Regular maintenance is the responsibility of the Owner.
9. Plants and planter boxes/containers are permitted within the patio/deck area in compliance with deck surface provisions.
10. Only gas or electric outdoor cooking grills are permitted.
11. Seasonal decorations, in keeping with architectural character and scale of the Units and community, may be displayed. Outdoor winter holiday lighting may be displayed between Thanksgiving and January 8. Decorations for other holidays may be displayed two (2) weeks prior to the holiday and must be removed one (1) week after the holiday. No such decorations are to be installed in such a way to damage paint, stucco, windows, awnings, or any other element of the building which is maintained in full or in part by the Association.
12. Decorative lighting, such as "rope lights", "string lights", and "mini-lights" may be displayed year-round on patios and decks, provided they are hung in such a way as to not damage paint, stucco, windows, awnings, or any other element of the building. Such lights, however, may not be hung on patio and deck railings, must be clear/white in color and must not adversely impact other community residents for reasons, including, without limitation, emission of unreasonably high lumens. Further, such lights may not be illuminated between the hours of 11:00 P.M. and 7:00 A.M.

Stairway rail lighting shall also be permitted. Because stairways are "Common Areas", approval by the

Architectural Committee shall be required for installation and use of this type of lighting to ensure that it is attached in such a way as to not pose a liability and that it is of such color and brightness as not to adversely impact other community residents. After such approval and installation and until such lighting is removed, the owner of the unit is required to maintain such lighting in the same condition and location as originally installed. Such lighting shall be illuminated only in the evening when needed for additional safety and security. Owner shall execute on its and any renter's or resident's behalf a Waiver of Liability form provided by the Association (i) releasing the Association, its officers, directors, committee members, agents and employees from any and all liability for, and (ii) agreeing to indemnify such parties from any damages and costs relating to personal injury and/or property damage resulting in whole or in part from the installation and use of such lighting.

ANTENNAS AND SATELLITE DISHES

The following rules pertaining to the installation, maintenance, repair, replacement and removal of antennas and satellite dishes shall strictly apply to all Owners and residents.

1. No antenna (television, radio or other) or satellite dishes shall be installed anywhere on the exterior of a building, railing, or fence, or in the Common Area, except where permitted on building roofs. Satellite dishes may not exceed 36".

An Owner must obtain approval from the Architectural Committee prior to the installation of any antenna or satellite dish.

2. All coaxial cable that will be visible from any Common Area or other Unit shall be selected or painted to match the building color.
3. All installation shall be completed so as not to damage any common components, neighboring Units, void any warranties of the Association, or in any way impair the integrity of the building, exterior paint, the waterproof membrane of the stucco or roof, or the safety of any staff or Association or installer.
4. Antennas shall be professionally installed by a contractor who possesses: (1) a contractor's general liability (including completed operations) insurance policy of at least \$1,000,000.00, and (2) worker's compensation insurance as required by law. The contractor's general liability policy must not contain an exclusion for work performed in a common interest development, condominium, or homeowners' association and specifically not contain exclusions for the work being performed. Nor shall the policy contain an insured versus insured exclusion or a contractor's condition endorsement requirement.
5. An Approved Antenna shall be maintained by the applicable resident in good repair at all times. In the event an Approved Antenna becomes inoperable, falls into disrepair, is no longer being used or becomes a safety hazard, the equipment shall cease to be an Approved Antenna and the applicable resident shall be required to promptly remove the equipment. All equipment shall be removed upon sale of the Unit.
6. An Owner shall be solely responsible for all costs pertaining to the installation, use, maintenance, repair, replacement and removal of such equipment.
7. Owners shall be liable for any damage to the Common Area caused by the installation, existence, repair, lack of repair, replacement, or removal of the satellite dish or antenna, or any other equipment pertaining to the same.

GARBAGE AND RECYCLING

Proper disposal of garbage is essential to the health of our residents. Garbage and items for recycling left in the Common Areas will have a negative effect on property values. Furniture and other large household items, including construction refuse, must be disposed of properly. Residents must make other arrangements and pay for disposing of these large or bulky items. The garbage company will not empty the bins when large pieces of furniture have been placed in them.

1. Garbage and recycling cans are to be kept inside the units and out of view.
2. Garbage must be kept in plastic bags and deposited into the nearest dumpster. All items for garbage and recycle must be placed inside of the dumpsters and not left on the ground.

WINDOW COVERINGS

All windows, sliding doors, etc., shall be properly covered with appropriate window dressing. Sheets, paper, blankets, boards, insulation foam, tin foil or other such items shall be specifically prohibited. Window draperies or shades shall be of a reasonable quality and be in working condition. All window coverings must be white, off-white, or other light neutral color as viewed from the outside.

PETS

1. No pets shall be permitted upon the Common Area except as controlled on a leash or similar device held by the Owner or his/her agent who is capable of controlling the dog.
2. No pet or other animal shall be left chained or otherwise tethered outdoors on a deck, patio, or in the Common Area.
3. Any pet or other animal, pursuant to Section 5.3.9 of the CC&Rs, that becomes a general nuisance or a danger to other Owners or other pets, will cause restrictive action to be taken, including but not limited to, prohibiting the keeping of that pet or animal within the Association community.
4. All animals shall be the exclusive responsibility of the Owner of the Unit. The Owner (or their delegate including but not limited to lessees, guests, and invitees) is responsible for the immediate clean-up of their animal's waste. Pet owners must leash and control their animal at all times when in the Common Area.
5. Control should be exercised over the noise made by pets. Pets must not be left outside on the patio when owners are away.
6. Owners are responsible for any "visitor" pets or animals.
7. No animals of any kind shall be raised, bred or kept in any Unit or in the Common Areas, except that dogs, cats, aquatic animals kept within an aquarium and birds inside cages may be kept as pets in any Unit, so long as they are not kept for breeding or maintained for any commercial purpose and provided the total number of all dogs and cats shall not exceed three (3) per unit.

8. Aggressive dogs, meaning any dog that is known to attack, menace, chase, display threatening or aggressive behavior or otherwise threaten or endanger the safety of any person or pet, are prohibited from being kept, raised, or brought into the community at any time. Notwithstanding the foregoing, pit bulls, as defined below, are specifically prohibited from being kept, raised or brought into the community.
9. "Pit bull" includes any dog that is a Bull Terrier, Miniature Bull Terrier, American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog that exhibits physical traits of any one or more of the above breeds or any dog exhibiting those distinguishing characteristics which conform to the standards established by the American Kennel Club ("AKC"), United Kennel Club ("UKC"), or American Dog Breeders Association ("ADBA") for any of the above breeds.
10. Current owners or occupants presently in possession of a dog mentioned herein are herewith placed on notice that they shall be held responsible and liable for the conduct of the animal(s).

NOISE

1. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises and in using, playing, or permitting to be used or played musical instruments, radios, phonographs, televisions, amplifiers, and any other instruments or devices in such a manner as may reasonably disturb owners, tenants, or occupants of other homes.
2. Construction times must follow the City of Palm Springs governing ordinance(s): Currently, as of September 2017:

Construction is limited to between 7 AM and 7 PM weekdays and from 8 AM to 5 PM on Saturdays. It is not allowed on Sundays or on certain holidays (Thanksgiving, Christmas, New Year's Day, July 4th, Labor Day, and Memorial Day).
3. Barking dogs shall be controlled by the animal's owner. Complaints received by the management company regarding a barking dog could result in the removal of the dog at Owner's expense.
4. All noise must be kept to a minimum throughout the Association community pursuant to the CC&Rs.

POOLS AND SPAS

1. Common Area and Conduct rules apply.
2. All persons using the pools do so at their own risk. The Association and the management assume no responsibility for accidents or injury. There is no lifeguard on duty.
3. Pool and spa hours: 6:00 AM to 11:00 P.M.
4. The swimming pools and pool areas are for the use of the Owners, occupants, and their invited guests only.
5. Persons under the age of 14 must be accompanied and supervised by an adult in all pool and spa areas pursuant to the California Code of Regulations, Title 22, Chapter 20, Section 65539(c). Children under the age of five (5) are prohibited from using the spa.

6. Incontinent individuals must wear waterproof garments when using the pools and spas.
7. Disruptive behavior, including noise and music, is prohibited. Personal listening devices (headphones) must be used with all audio devices.
8. Cell phone conversations at the pools are not allowed. Please take calls outside of the pool areas.
9. Reserving of pool furniture is not permitted.
10. No jumping into the pools or diving is allowed.
11. California Building Code (CBC Section 3120B.11) states that persons having active diarrhea or who have had active diarrhea within the previous 14 days shall not be allowed to enter the pool or spa.
12. Drinks are allowed only if served in cans or in paper or plastic containers. Glass is not allowed in the pool areas.
13. Articles left by the pools unattended are left at the Owner's risk.
14. Pets are prohibited in the pool areas.
15. Furniture, including the pool deck furniture, is prohibited from being placed in the pool/spa. Pool deck furniture must not be removed from the pool areas.
16. Proper attire befitting the facility is required. All Owners and their guests will refrain from nudity. Only clothing manufactured as swimwear may be worn while in the pool or spa.
17. Tampering with lifesaving equipment is prohibited.
18. All trash must be discarded in the trash receptacles provided.
19. Soap, shampoo, body wash, etc., are prohibited in the pool or spa. Use of such will be deemed a violation and all costs associated with repair of pools/spas are the responsibility of the applicable Owner.
20. When wearing suntan lotion or oil, towels shall be placed over chairs and lounges to protect them.

TENNIS COURTS

1. Common Area and Conduct rules apply.
2. Tennis courts are for the use of Owners, occupants, and their guests.
3. Tennis court hours are 6:00 AM to 11:00 P.M.
4. Maximum play time is 1.5 hours per game unless there are no other subsequent reservations or players waiting.

5. Reservations are required. Reservations may be made after 7:00 AM one day in advance of the desired play time and require unit number, date, and time of game. Players may have only one outstanding reservation at a time. The Reservation Board is located at the east gate of the tennis court.
6. Food and beverages, with the exception of non-glass water bottles, are not permitted.
7. Persons under the age of 14 must be accompanied and supervised by an adult.
8. Pets are prohibited in the tennis court area.
9. Use of any equipment or items that are not specifically designed for tennis, including roller skates, bicycles, or skateboards, is not permitted as they can damage the surface of the courts.
10. Appropriate clothing and shoes are required.
11. Turn off lights when exiting the court.
12. Gates to be closed/locked at all times.
13. Proper court conduct is required at all times.

EXERCISE FACILITY

1. Common Area and Conduct rules apply.
2. Exercise facilities are for the use of Owners, occupants, and their guests.
3. Facility hours are 6:00 AM to 11:00 PM.
4. Use of the facility is at your own risk.
5. Persons under the age of 14 must be accompanied and supervised by an adult.
6. Food and beverages, with the exception of non-glass water bottles, are not permitted.
7. Proper shoes and attire are required.
8. Please use the sanitary wipes provided to wipe down equipment after use.
9. Turn off all equipment, fans, and lights if you're the last to leave.
10. Pets are prohibited in the exercise facility.

DEAUVILLE ROOM

1. Common Area and Conduct rules apply.

2. The Deauville Room is available to all Owners, occupants, and their guests 7 days a week from 6:00 AM to 11:00 PM provided no Association activity or private event is scheduled.
3. Owners and tenants are entitled to reserve the Deauville Room for private events.
4. Reservations must be made via the Deauville website or with the Association's on-site property manager **(Please ensure your reservation time includes the time needed for clean-up and removal of items)**.
5. Maximum room capacity is 75 persons.
6. Loud music is prohibited, and music must conclude by 11:00 PM.
7. Amplified speakers are prohibited outside the Deauville Room.
8. All kitchen equipment used including china, glassware, flatware, cooking equipment and appliances must be cleaned, and all cabinets locked at the conclusion of the function.
9. The Association reserves the right to require a security deposit/cleaning fee unless the Deauville Room is being used by an Owner or occupant for political purposes.
10. Grilling or barbecuing on the terrace or in the Deauville Room is prohibited.
11. All non-Association property, including catering and trash, must be removed by the end of the reservation and properly placed in dumpsters.
12. Pets are prohibited in the Deauville Room.

MOTOR VEHICLES AND PARKING

1. All owner vehicles shall be registered at the on-site Deauville office. A decal will be issued for each vehicle, recorded and shared with the Property Management Company. Numbered decals are to be placed inside of the vehicle in the lower right hand corner windshield on the passenger side.
2. Fire lanes are painted red and no parking within those fire lanes is allowed at any time. Violators will be subject to automatic tow-away.
3. Parking garages are for Owners or tenant use only.
4. The number of vehicles on property per unit shall be limited to two (2) unless prior approval is obtained from the Board of Directors.
5. Common Area parking locations, including front awning area, are for Owners, occupants, and guests.
6. Repair and storage of inoperable vehicles is prohibited anywhere on the property. Abandoned vehicles are prohibited. An abandoned vehicle is defined as any vehicle that does not have a current license plate tag or is in a non-operative condition (i.e. flat tire(s), no tires, no engine, no windshield, or lacks any other

major part or equipment necessary to operate safely on a highway or street). The owner of said vehicle will be issued a violation notice and shall have five (5) days from the date of notice in which to remove the vehicle from the property or the vehicle will be towed at the owner's expense. Said notice will provide the owner with information concerning the address and telephone number of the towing service.

7. Limousines will not be defined as conventional passenger vehicles, but rather as commercial vehicles unless the owner can demonstrate that such vehicle is their primary source of transportation.
8. Except for temporary parking as defined in Section 5.8.10 of the CC&Rs, commercial vehicles, defined as a truck having a manufacturer's rating of payload capacity greater than 1.5 tons, passenger vans designed to accommodate nine (9) or more people, and/or any vehicle with a utility body on which materials and/or tools are visible, or with a body type normally employed as a business vehicle whether or not a sign is displayed on any part thereof (a motor vehicle license plate shall not be material to the foregoing definition) shall not be parked, stored, or kept on the property.
9. Except for being temporarily parked on the property for the purpose of actively loading or unloading immediately prior to or after use, recreational vehicles as defined in Section 5.8.8 of the CC&Rs are not permitted to be parked, kept, or stored on the property.
10. Vehicles shall travel at a safe and reasonable speed while in the community.
11. Vehicles are to be parked within the designated parking areas as marked.
12. Vehicles in violation of these Rules and Regulations are subject to towing. Vehicle Code Section 22658, et Seq.
13. All vehicles on the property must have current registration tags. Vehicles must be owned or leased by an Owner, guest, or tenant.
14. Vehicles must be maintained so as not to damage the parking area and paved surfaces (e.g. leaking oil or other fluids). A violation notice will be issued for non-compliance and all related expenses will be the responsibility of the applicable Owner if the Association determines that the Owner is responsible for said damage pursuant to a hearing. This may include an assessment to the Owner's account for concrete and asphalt repairs.
15. The Association (and the Board of Directors) shall not be responsible for the maintenance, insurance, liability, theft, vandalism, or any damage which may be sustained by any vehicle. **THE VEHICLE(S) OWNER SHALL BE TOTALLY RESPONSIBLE FOR ANY VEHICLE PARKED UPON ASSOCIATION PROPERTY AND SHALL INCLUDE PERSONAL AND/OR PRIVATE PROPERTY.**

RENTER AND GUEST PARKING

1. Owners will be provided with two (2) numbered permits for guest/renter use when parking overnight at the Deauville. Owners are responsible to maintain their guest/renter permits just as you are responsible for maintaining your entry fobs. There will be a \$25 charge to replace lost permits. Damaged permits may be turned into the Property Supervisor and exchanged at no charge.

2. It is the owner's responsibility to ensure that their overnight guests/renters properly display their permit(s).
3. Permits are to be placed either on the passenger side dashboard or hung from the rear view mirror, clearly displaying the permit number.

LONG TERM PARKING

1. Owners who wish to leave a vehicle long term (in excess of 60 days) will be required to sign a Long Term Parking Assumption of Risk, Release from Liability and Indemnification Agreement.
2. It is the Owner's responsibility to ensure that their stored vehicle is registered with the Property Supervisor and clearly displays the proper identification decal.
3. Owners who wish to store a vehicle on the property for more than sixty (60) days will be assigned a storage space on a first come/first serve basis by the Property Supervisor. This is to limit stored vehicles to no more than ten (10) per building.
4. Storage of vehicles is permitted for owners' vehicles only, unless prior written approval is obtained from the Board of Directors.
5. Only two (2) vehicles per unit may be stored.
6. If a stored vehicle is covered the cover must remain in presentable condition.
7. Stored vehicles must remain legally registered with current license tab.
8. Stored vehicles must be operational at all times, including tires and batteries.
9. Vehicles may not be stored in excess of six (6) months without written approval from the Board of Directors.
10. It may be necessary to move a vehicle in case of emergency or to accommodate Association maintenance. Therefore, a key should be left with a neighbor or the Property Supervisor.

STORAGE ROOMS

Storage rooms are for the use and convenience of Owners only. The storage areas must be maintained in a fashion which does not attract rodents, insects, or in any way create a fire hazard or other unsafe condition for owners.

The Association shall not be responsible for insurance, liability, theft, or vandalism of items stored. **PROPERTY IN THE STORAGE ROOMS IS AT THE OWNER'S RISK.**

Management will inspect storage rooms quarterly. The schedule will be placed on the HOA calendar.

1. Locked cabinets and shelving must be constructed of metal, plastic, or wood and meet the following:
 - Maximum width: 4 feet
 - Maximum height: 7 feet
 - Maximum depth: 2 feet
2. Sturdy plastic tubs may be used and may be stacked to a maximum of 6 feet.
3. Cardboard boxes, plastic or paper bags or loose items on the floor or shelving is prohibited.
4. The following items are not permitted to be stored:
 - A. Furniture
 - B. Appliances
 - C. Doors or screens
 - D. Construction material
 - E. Building materials (such as paint)
 - F. Automotive items (including batteries, tires and gas cans)
 - G. Flammable, hazardous or chemical items
5. Flammable, hazardous or chemical items will be removed immediately by management without notice.
6. ALL ITEMS (CABINETS, SHELVING, TUBS) MUST BE LABELED WITH THE ASSOCIATION PROVIDED LABELS AND CONTAIN OWNER'S NAME AND UNIT NUMBER. UNLABELED ITEMS MAY BE DISCARDED (WITH ADVANCE NOTICE ONLY IF THE OWNER IS KNOWN) AT THE ASSOCIATION'S DISCRETION.
7. Refer to Storage Room and Key Agreement / Bicycle Storage Room and Key Agreement for assigned location and requirements of use. Keys to storage rooms are to be obtained from the Property Supervisor after signing the key agreement.

UNIT SALES AND LEASING PROCEDURES

1. All Buildings and Common Areas designated for residential use shall be used, improved and devoted exclusively to and for residential use. Nothing herein shall be deemed to prohibit an Owner from leasing a Unit.
2. All lease/rental agreements for any Unit within The Palm Springs Deauville shall contain a provision binding the renter(s) to the terms and conditions contained in the Association's Governing Documents, including without limitation, these Rules and Regulations. Owners are required to provide each tenant with a copy of these Rules and Regulations. Copies can be obtained in the management office on site.
3. Each Owner will be liable to the Association for any damage to the Common Area or to Association owned property caused by their tenant or guests of tenants. Failure of any tenant to comply with these Rules and Regulations may subject the Owner to fines and penalties.
4. Leasing of Units must comply with all applicable City of Palm Springs municipal codes.

5. Minimum rental period is fourteen (14) nights for owners who obtained title after March 20, 2020 and three (3) nights for owners who owned prior to that date. Any advertising of a unit for lease or rent must state on page one in the ad what the minimum rental period is.
6. Any Owner who rents/leases their Unit must provide the management company within 24 hours of the start of the lease a copy of the lease or Occupancy of Residential Tenant Form which lists the name(s) of the tenants, a description of their vehicle(s) and their phone numbers or other appropriate contact information.
7. Real estate signs, including For Sale, For Rent, and For Lease signs, must be professionally made and conform to standard size as dictated by the HOA. Any real estate sign must be displayed from a unit window. Only one main sign (e.g. FOR SALE) per Unit is permitted. Signs indicating a Unit is sold must be removed at close of escrow.

BICYCLE STORAGE

Bicycle storage rooms are available. The conditions of use are not specifically included here as they may need to be updated on a more regular basis. Please see the Property Supervisor for the most current rules.

MEETINGS

The monthly meetings of the Association are held in the Deauville Room (see agenda postings for dates/times). Owners are welcome to attend all open Board meetings. An open forum is provided at each open meeting to provide Owners with an opportunity to speak.

Following the open forum the Board of Directors conducts the business of the Association. Owners are welcome and encouraged to stay for the entire open meeting. However, so that the Board can conduct the business of the Association without interruption or distraction, Owners may observe, but shall not have a voice or contribute to the meeting unless specifically called upon by the meeting chair.

Owners are asked to respect the decorum of the proceedings and to refrain from speaking out of turn or from yelling or speaking over other Owners or the Board. No alcoholic beverages are allowed at any Association business meeting.

Owners violating such protocols may be asked to leave the meeting and/or to not attend future meetings.

CRIMINAL OR SUSPICIOUS ACTIVITY

If you observe any suspicious or illegal activity, CALL THE POLICE IMMEDIATELY. Give your report in calm, slow and precise language. DO NOT CONFRONT THE PERSONS INVOLVED.

The management company should also be contacted as soon as possible so that a central and complete record can be compiled.

FHA Disclosure

- 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 of 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 as of September 27, 2024.
-

VA Disclosure

- 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 of 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, as of September 27, 2024.

CERTIFIED COMMON INTEREST DEVELOPMENT MANAGER
DISCLOSURE STATEMENT

In accordance with the disclosure requirements of Business and Professions Codes Sections 11500-11506, and Civil Code Section 5375, I provide the following:

Name and Business Address of Owner of the Managing Agent:

Bobbie Gaffney, President
The Gaffney Group, Inc.
1111 E. Tahquitz Canyon Way, Suite 107
Palm Springs, CA 92262

The fidelity insurance of the Management Firm does cover the operating and reserve funds of your association.

Manager: Bobbie Gaffney

I have met the requirements of Business & Professions Code Section 11502 and qualify as a certified common interest development manager.

I do not hold an active Real Estate License.

Certification Held:

CCAM – Certified Community Association Manager
Date: July, 2000
Registration Number: 1005746

Issuing Agent:

CACM – California Association of Community Managers
23461 South Pointe Drive, Suite 200
Laguna Hills, CA 92653
949-916-2226

Certification Held:

PCAM - Professional Community Association Manager
Date: January 2003
Registration Number: 1243

Issuing Agent:

Community Associations Institute (CAI)
225 Reinekers Lane
Alexandria, VA 22314
703-548-8600

Certification Held:

AMS – Association Management Specialist
Date: December, 1999
Certificate Number: 1905

Issuing Agent:

Community Associations Institute (CAI)
225 Reinekers Lane
Alexandria, VA 22314
703-548-8600

The Association Manager, Bobbie Gaffney, is the Association's Designated Recipient. Pursuant to Civil Code §§5310(a)(1), 4035, the Designated Recipient is the person designated to receive official communications to the Association:

The Palm Springs Deauville HOA
C/O The Gaffney Group, Inc.
Attention: Bobbie Gaffney, CCAM, PCAM
1111 E. Tahquitz Canyon Way, Suite 107
Palm Springs, CA 92262

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

Document	Civil Code Section	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation	Section 4525(a)(1)	\$5.00	_____
CC&Rs	Section 4525(a)(1)	\$15.00	_____
Bylaws	Section 4525(a)(1)	\$10.00	_____
Operating Rules	Section 4525(a)(1)	\$10.00	_____
Age restrictions, if any	Section 4525(a)(2)	Included	_____
Pro forma operating budget or summary	Sections 5300 and 4525(a)(3)	\$5.00	_____
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	Included	_____
Financial statement review	Sections 5305 and 4525 (a)(3)	\$5.00	_____
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$5.00	_____
Insurance summary	Sections 5300 and 4525(a)(3)	\$5.00	_____
Regular assessment	Section 4525(a)(4)	Included	_____
Special assessment	Section 4525(a)(4)	Included	_____
Emergency assessment	Section 4525(a)(4)	Included	_____
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	Included	_____
Approved changes to assessments	Sections 5300 and 4525(a)(4),(8)	Included	_____

Settlement notice regarding common area defects	Sections 4525(a)(6),(7) and 6100	Included	_____
Preliminary list of defects	Sections 4525 (a)(6), 6000, and 6100	Included	_____
Notice(s) of violation	Sections 5855 and 4525(a)(5)	Included	_____
Required statement of fees	Section 4525	\$35.00	_____
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$5.00	_____
TOTAL FEES for these documents:		<u>\$100.00</u>	

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

PALM SPRINGS DEAUVILLE HOMEOWNERS' ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

ELECTION BY ACCLAMATION NOTICE
("INITIAL NOTICE")
Pursuant to *Civil Code §5103*

September 2024

TO ALL MEMBERS:

The Association hereby provides this INITIAL NOTICE via INDIVIDUAL NOTICE of the following regarding the Association's 2025 Board of Directors elections (as required by *Civil Code §5103*):

- Two (2) Board seats will be up for election in May 2025.
- March 1, 2025 will be the deadline for self-nominations ("Nomination Deadline").
- Any member/homeowner who meets the Eligibility Requirements (as set forth in the Association's Election Rules) may self-nominate by submitting a Self-Nomination Statement by the Nomination Deadline. A Self-Nomination Notice and Self-Nomination Statement form will be provided in January 2025, as well as a Reminder Notice will be provided in February 2025.
- If at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, then the board of directors may, after voting to do so, seat the qualified candidates by acclamation without balloting.