

December 31, 2018

Dear Owner:

These minutes are being distributed to Owners as outlined in the Shadow Ridge Master Association, Declaration Article III and Bylaws, Article 6; the Shadow Ridge Condominium Association Bylaws, Article 6 and the Shadow Ridge Timeshare Association Declaration Article IV and Bylaws, Article 6.

The disclosure statement is being distributed to Owners as required by California Civil Codes 5975 & 5740 and as outlined in the Shadow Ridge Timeshare Association Declaration Article IV, Management; the Shadow Ridge Master Association Declaration Article III, Section 3.4; and the Shadow Ridge Condominium Association Declaration of CCRs, Article VI, Management.

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an email address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on MarriottVacationClub.com. Click on "Account", click on "Profile", click on "Register for Online Document Notification". Edit Settings.

For questions, please contact my Executive Assistant, Rhett Clements, by telephone at 760-674-2605 or by email at Rhett.clements@vacationclub.com.

Sincerely,

Matthew Barker
General Manager
Marriott's Shadow Ridge

**Shadow Ridge Master Association
Shadow Ridge Condominium Association
Shadow Ridge Timeshare Association**

Board of Directors Meeting

October 25, 2018

A regular meeting of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association Boards of Directors was held concurrently on October 25, 2018, at Marriott's Shadow Ridge, Lakeview Room, 9002 Shadow Ridge Road, Palm Desert, California 92211.

Present from the Boards of Directors were: Richard Hayward, President; Diane Howard, Vice President; Ron Essig, Treasurer and Allen McLean, Secretary

Absent from the Boards of Directors was: J. Sherman Griffone, Director

Present from Marriott Vacation Club® International, representing the Management Company, were: Matt Barker, General Manager; Jonathan Karp, Resort Manager; Nick Enders, Director of Finance; Michael Wirmel, Director of Engineering; Angel Paz, Director of Room Operations; Anjanae Miller, Senior Assistant Controller; Bill Winston, Senior Project Director-West; Gregg Capper, Project Director-West; Jane Berg, Regional Vice President-West; Scott Wilkerson, Regional Director of Finance-West Operations; Jim Gaut, Senior Manager, Fire and Life Safety (via conference call) and Rhett Clements, Executive Assistant

Guest present was: Chris Van Ruiten, Comerica Securities, Inc.

CALL TO ORDER

Richard Hayward, President of each Association, called the meetings of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association to order at 8:32 a.m., Pacific time.

Approval to run meetings concurrently

A motion was made by Diane Howard to conduct the meetings of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association concurrently. The motion was seconded by Ron Essig and unanimously carried.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code

Mr. Hayward reminded those present of Davis-Stirling Act – Section 4900, est. seq.

ESTABLISHMENT OF QUORUM

Mr. Hayward announced with a majority of Board Members present, quorum was met for each Association.

APPOINTMENT OF RECORDING SECRETARY

Mr. Hayward appointed Rhett Clements to serve as Recording Secretary.

PROOF OF NOTICE OF BOARDS OF DIRECTORS MEETING

Notice of Boards of Directors Meeting was emailed on August 13, 2018 to all Board Members, as required by each Association's Bylaws.

APPROVAL OF AGENDA

A motion was made by Diane Howard to approve the Agenda as presented. The motion was seconded by Allen McLean and unanimously carried.

APPROVAL OF BOARDS OF DIRECTORS MEETING MINUTES

A motion was made by Allen McLean to waive the reading of the August 3, 2018 Board Meeting Minutes of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association and approve as presented. The motion was seconded Ron Essig and unanimously carried.

A motion was made by Allen McLean to waive the reading of the August 3, 2018 Nominating Committee Meeting Minutes of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association and approve as presented. The motion was seconded by Ron Essig and unanimously carried.

A motion was made by Allen McLean to waive the reading of the September 27, 2018 Investment Committee Meeting Minutes of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association and approve as presented. The motion was seconded Ron Essig and unanimously carried.

INVESTMENTS

Nick Enders and Chris Van Ruiten reviewed current investments.

A motion was made by Diane Howard to liquidate the TIPS CDs for Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Ron Essig and unanimously carried.

Mr. Enders and Mr. Van Ruiten reviewed the following proposed Investment Policy changes:

- Authorized securities defined as U.S. Treasuries and/or other U.S. agency investments
- Replaced original maturity with effective maturity
- Controller's office changed to Director of Finance's office in the trading section

A motion was made by Allen McLean to accept the proposed changes and abide by the Investment Policy as presented. The motion was seconded by Ron Essig and unanimously carried.

A motion was made by Ron Essig to engage Comerica Securities, Inc., for investment services in 2019 for Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Diane Howard and unanimously carried.

FINANCIAL REPORT

Current Financials

Mr. Enders and Anjanae Miller reviewed current financials.

Accounts Receivable

Ms. Miller reviewed the Third Quarter 2018 Accounts Receivable report and the aged accounts summary for Shadow Ridge Timeshare Association. Accounts Receivable represent 1.5% of the Association's billed maintenance fees, which is a 0.3% improvement compared to 2017.

A motion was made by Allen McLean to engage PricewaterhouseCoopers to conduct the 2018 Financial Audit for Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Allen McLean to allow the Board Treasurer of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association to accept the draft audited 2018 financials on behalf of the Board of Directors. The motion was seconded by Diane Howard and unanimously carried.

2018 Reserves

Matt Barker and Jim Gaut reviewed replacement of the fire alarm system and emergency lighting in the Villages included in the 2019 Shadow Ridge Condominium Association Projects.

Mike Wirmel presented the 2018 Reserves for each Association as follows:

Shadow Ridge Master Association 2018 Reserves

- No projects are scheduled

Shadow Ridge Condominium Association 2018 Reserves

Shadow Ridge Condominium Association Projects requiring additional funds of \$276,493, for a new project total of \$494,299 were presented. Highlights included:

- Paint buildings in Phases 1, 2, 3, 7, and common areas
- Replace emergency backup lighting
- Renovate Mirage Activities Center

A motion was made by Ron Essig to approve additional 2018 Shadow Ridge Condominium Association Reserve Expenditures in the amount of \$494,299 to paint buildings in Phases 1, 2, 3, 7 and common area, replace emergency backup lighting, and renovate the Mirage Activities Center. The motion was seconded by Diane Howard and unanimously carried

Shadow Ridge Timeshare Association 2018 Reserves

Completed Shadow Ridge Timeshare Association 2018 Reserve Projects were reviewed. Highlights included:

- Enhanced, high definition services were added to villa televisions
- Replaced 206 heat pump HVAC units in Phase 3

A motion was made by Allen McLean to approve additional 2018 Shadow Ridge Timeshare Association Reserve Expenditures in the amount of \$207,253 for the replacement of 206 heat pump HVAC units in Phase 3, for a new total project amount of \$1,099,300. The motion was seconded by Diane Howard and unanimously carried

Proposed 2019 Reserve Projects

Mr. Wirmel reviewed proposed 2019 Reserve Projects for each Association as follows:

Shadow Ridge Master Association 2019 Reserves

Shadow Ridge Master Association 2019 Reserve Projects total \$107,821. Highlights included:

- Purchase new shuttle bus
- Resurface roads, driveways and parking lots
- Replace monument sign

A motion was made by Ron Essig to approve additional 2019 Shadow Ridge Master Association Reserves in the amount of \$107,821, as presented and to be attached to the meeting minutes. The motion was seconded by Diane Howard and unanimously carried.

Shadow Ridge Condominium Association 2019 Reserves

Shadow Ridge Condominium Association 2019 Reserve Projects total \$4,388,306. Highlights included:

- Paint buildings and carports in Phases 4 and 5
- Resurface Chuckwalla and Road Runner pool decks
- Water-proof roofing in Phases 4, 5, and 6

A motion was made by Diane Howard to approve additional 2018/2019 Shadow Ridge Condominium Association Reserve expenditures in the amount of \$4,388,306 as presented and to be attached to the meeting minutes. The motion was seconded by Ron Essig and unanimously carried.

Shadow Ridge Timeshare Association 2019 Reserves

Shadow Ridge Timeshare Association 2019 Reserve Projects for a total of \$14,010,184 were reviewed.

Highlights included:

- Purchase golf carts for Housekeeping, Loss Prevention, Activities, Administration, Engineering and Front Desk
- Install technology access points
- Replace televisions in Phase 8
- Villa refurbishment in Phases 3, 4, 5, 7, 8
- Purchase new Housekeeping vacuums for Phase 3
- Purchase Business Center computer hardware
- Replace HVAC units in Phase 4

A motion as made by Ron Essig to approve additional 2018/2019 Shadow Ridge Timeshare Association Reserve expenditures in the amount of \$14,010,184, as presented and to be attached to the meeting minutes, pending Board review and approval of the 2019 Refurbishment Agreement. The motion was seconded by Diane Howard and unanimously carried.

Mr. Barker reviewed the model unit refurbishment and inventory displacement.

RESORT OPERATIONS REPORT

Jonathan Karp, Angel Paz and Mr. Barker presented the Resort Operations Report. Highlights included:

- Overall Guest Satisfaction increased by 1.9%, compared to 2017
- Problems Experienced decreased by 1.4%, compared to 2017
- Problem Resolution increased by 6.1%, compared to 2017
- Resort Experience Index increased by 1.2%, compared to 2017
- Variety of Resort Activities increased by 1.1%, compared to 2017
- Pool Experience increased by 2.1%, compared to 2017
- Housekeeping Experience increased by 1.4%, compared to 2017
- Friendliness increased by 1.8%, compared to 2017
- Staff Knowledge increased by 1.3%, compared to 2017
- Front Office Experience increased by 2.1%, compared to 2017
- Enhanced prearrival process was reviewed
- Activities were reviewed

PROPOSED 2019 BUDGET AND MAINTENANCE FEE

Mr. Enders presented the proposed 2019 Budget and Maintenance Fee. Highlights included:

- Each Association is impacted by the local labor market and minimum wage increases in California
- Each Association was impacted from the Reserve contributions to maintain the resort assets

A motion was made by Allen McLean to approve the 2019 Shadow Ridge Master Association budget, in the total amount of \$865,102, including each line item of such budget, which includes total Operating Fees of \$661,425 and Reserve Fees of \$203,677. It was further moved to approve the billing by Shadow Ridge Master Association of each unit week for the following amounts owed to Shadow Ridge Master Association: \$19.66 for a 1-Bedroom unit; \$9.85 for a Lock-Off unit; \$29.51 for a 2-Bedroom unit; \$29.51 for a 2-Bedroom SR II unit and \$29.51 for a 2-Bedroom Deluxe unit. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Diane Howard to approve the 2019 Shadow Ridge Condominium Association budget, in the total amount of \$7,611,606, including each line item of such budget, which includes total Operating Fees of \$5,008,354 and Reserve Fees of \$2,603,252. It was further moved to approve the billing by Shadow Ridge Condominium Association of each unit week for the following amounts owed to Shadow Ridge Condominium Association: \$173.11 for a 1-Bedroom unit; \$86.62 for a Lock-Off unit; \$259.73 for a 2-Bedroom unit; \$259.73 for a 2-Bedroom SR II unit and \$259.73 for a 2-Bedroom Deluxe unit. The motion was seconded by Allen McLean and unanimously carried.

A motion was made by Allen McLean approve the 2019 Shadow Ridge Timeshare Association budget, in the total amount of \$36,978,413, including each line item of such budget, which includes total Operating Fees of \$27,689,876 and Reserve Fees of \$9,288,537. It was further moved to approve the billing by Shadow Ridge Timeshare Association of each unit week for the following amounts owed to Shadow Ridge Timeshare Association: \$833.21 for a 1-Bedroom unit; \$433.06 for a Lock-Off unit; \$1,266.27 for a 2-Bedroom unit; \$1,238.74 for a 2-Bedroom SR II unit and \$1,282.55 for a 2-Bedroom Deluxe unit. The motion was seconded by Diane Howard and unanimously carried.

NEW BUSINESS

California Statutes

Scott Wilkerson reviewed California statutes. Mr. Wilkerson requested Richard Hayward and Ron Essig to approve the transfer of funds when Owners submit requests for documents.

**Shadow Ridge Master Association
Shadow Ridge Condominium Association
Shadow Ridge Timeshare Association**

Organizational Meetings

October 25, 2018

An Organizational Meeting of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association was held concurrently on October 25, 2018, at Marriott's Shadow Ridge, Lakeview Room, 9002 Shadow Ridge Road, Palm Desert, California 92211.

Present from the Board of Directors were: Ron Essig, Richard Hayward, Diane Howard and Allen McLean

Absent from the Boards of Directors was: J. Sherman Griffone, Director

Present from Marriott Vacation Club® International, representing the Management Company, was:
Rhett Clements, Executive Assistant

CALL TO ORDER

The meeting was called to order by Richard Hayward at 3:12 p.m., Pacific time.

ESTABLISHMENT OF QUORUM

With the majority of Board Members present, quorum was established.

A motion was made by Diane Howard to run the Organizational Meetings of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association concurrently. The motion was seconded by Ron Essig and unanimously carried.

APPOINTMENT OF RECORDING SECRETARY

Mr. Hayward appointed Rhett Clements to serve as Recording Secretary.

APPROVAL OF AGENDA

A motion was made by Richard Hayward to approve the Agenda as presented. The motion was seconded by Diane Howard and unanimously carried.

ELECTION OF OFFICERS

A motion was made by Ron Essig to elect Richard Hayward as President of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Ron Essig to elect Diane Howard as Vice President of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Allen McLean and unanimously carried.

A motion was made by Ron Essig to elect Allen McLean as Secretary of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Allen McLean to elect Ron Essig as Treasurer of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association. The motion was seconded by Diane Howard and unanimously carried.

ADJOURNMENT

There being no further business to come before the Board, a motion was made Ron Essig to adjourn the meeting at 3:17 p.m. The motion was seconded by Allen McLean and unanimously carried.

**Shadow Ridge Master Association
Shadow Ridge Condominium Association
Shadow Ridge Timeshare Association**

Board of Directors Meeting

November 28, 2018

A special meeting of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association Boards of Directors was held concurrently on November 28, 2018, via conference call, hosted from Marriott's Shadow Ridge, 9003 Shadow Ridge Road, Palm Desert, California 92211.

Present from the Boards of Directors were: Diane Howard, Vice President; Ron Essig, Treasurer; Allen McLean, Secretary and J. Sherman Griffone, Director

Absent from the Boards of Directors was: Richard Hayward, President

Present from Marriott Vacation Club® International, representing the Management Company, were: Matt Barker, General Manager; Nick Enders, Director of Finance; Michael Wirmel, Director of Engineering; Anjanae Miller, Senior Assistant Controller; Jane Berg, Regional Vice President-West; Mike Covello, Vice President Program Management Refurbishment; Gregg Capper, Regional Project Manager-West; Samantha Hynes, Association Governance Manager-West and Rhett Clements, Executive Assistant

Guests present were: Jillian Van Dresser, Van Dresser Company and Dan French, Refurbishment Consultant

CALL TO ORDER

Diane Howard, Vice President of each Association, called the meetings of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association to order at 10:34 a.m., Pacific time.

Approval to run meetings concurrently

A motion was made by Allen McLean to conduct the meetings of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association concurrently. The motion was seconded by J. Sherman Griffone and unanimously carried.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code

Ms. Howard reminded those present of Davis-Stirling Act – Section 4900, et. seq.

ESTABLISHMENT OF QUORUM

Ms. Howard announced with a majority of Board Members present, quorum was met for each Association.

APPOINTMENT OF RECORDING SECRETARY

Ms. Howard appointed Rhett Clements to serve as Recording Secretary.

PROOF OF NOTICE OF BOARDS OF DIRECTORS SPECIAL MEETING

Notice of Boards of Directors Special Meeting was emailed to all Board Members on October 30, 2018, as required by each Association's Bylaws.

APPROVAL OF AGENDA

A motion was made by Allen McLean to approve the Agenda as presented. The motion was seconded by Ron Essig and unanimously carried.

2019 VILLA REFURBISHMENT

Jillian Van Dresser presented an update on the 2019 Villa Refurbishment in the Enclaves.

A motion was requested by Ron Essig to authorize the Board President to sign the 2019 Shadow Ridge Timeshare Association Refurbishment Project Services Agreement to complete refurbishment work for

ANNUAL BUDGET REPORT DISCLOSURES

INSURANCE SUMMARY

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.

Shadow Ridge Master Association
SECTION 5300(b) (10) CALIFORNIA CIVIL CODE
Federal Housing Administration

This common interest development is not a condominium project subject to the disclosure provisions set forth in Cal. Civ. Code §§5300(b)(10)-(11).

Shadow Ridge Condominium Association
SECTION 5300(b) (10) CALIFORNIA CIVIL CODE
Federal Housing Administration

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.

Shadow Ridge Master Association
SECTION 5300(b) (11) CALIFORNIA CIVIL CODE
Veterans Affairs

This common interest development is not a condominium project subject to the disclosure provisions set forth in Cal. Civ. Code §§5300(b)(10)-(11).

Shadow Ridge Condominium Association
SECTION 5300(b) (11) CALIFORNIA CIVIL CODE
Veterans Affairs

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.

Shadow Ridge Master Association
SECTION 5300(b) (12) CALIFORNIA CIVIL CODE

Charges for Documents Provided.

In accordance with Section 4528 of the California Civil Code, attached is the completed “Charges for Documents Provided” setting forth the billing disclosures required pursuant to Section 4530 of the California Civil Code.

Shadow Ridge Condominium Association
SECTION 5300(b) (12) CALIFORNIA CIVIL CODE

Charges for Documents Provided.

In accordance with Section 4528 of the California Civil Code, attached is the completed “Charges for Documents Provided” setting forth the billing disclosures required pursuant to Section 4530 of the California Civil Code.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525 OF THE CALIFORNIA CIVIL CODE*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: 9003 Shadow Ridge Road, Palm Desert, California 92211

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name: Nick Enders

Position or Title: Director of Finance

Association or Agent: Shadow Ridge Master Association and Shadow Ridge Condominium Association

Date Form Completed:

Check or Complete Applicable Column or Columns Below:

<u>Document:</u>	<u>Civil Code Section Included:</u>	<u>Fee for Document:</u>	<u>Not Available (N/A), Not Applicable (N/App) or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP):</u>
<input type="checkbox"/> Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$20.00	
<input type="checkbox"/> CC&Rs	Section 4525(a)(1)	\$20.00	
<input type="checkbox"/> Bylaws	Section 4525(a)(1)	\$20.00	
<input type="checkbox"/> Operating Rules	Section 4525(a)(1)	\$20.00	
<input type="checkbox"/> Age restrictions, if any	Section 4525(a)(2)	\$20.00	
<input type="checkbox"/> Rental restrictions, if any	Section 4525(a)(9)	\$20.00	
<input type="checkbox"/> Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$20.00	
<input type="checkbox"/> Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$20.00	
<input type="checkbox"/> Financial statement review	Sections 5305 and 4525(a)(3)	\$20.00	
<input type="checkbox"/> Assessment enforcement Policy	Sections 5310 and 4525(a)(4)	\$20.00	
<input type="checkbox"/> Insurance summary	Sections 5300 and 4525(a)(3)	\$20.00	
<input type="checkbox"/> Regular assessment	Section 4525(a)(4)	\$20.00	
<input type="checkbox"/> Special assessment	Section 4525(a)(4)	\$20.00	

<input type="checkbox"/>	Emergency assessment	Section 4525(a)(4)	\$20.00
<input type="checkbox"/>	Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	\$20.00
<input type="checkbox"/>	Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	\$20.00
<input type="checkbox"/>	Settlement notice Regarding common area defects	Sections 4525(a)(6), (7) and 6100	\$20.00
<input type="checkbox"/>	Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	\$20.00
<input type="checkbox"/>	Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$20.00
<input type="checkbox"/>	Required statement of fees	Section 4525	
<input type="checkbox"/>	Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$20.00

Total fees for these documents:

Not to exceed \$200

* 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 shall be charged separately.

ANNUAL POLICY STATEMENT DISCLOSURES

Capitalized terms used herein without definition shall have the meaning given to such terms in the Condominium Declaration of Covenants, Conditions and Restrictions for Shadow Ridge and Master Declaration of Covenants, Conditions and Restrictions for Shadow Ridge.

(1) Designated Contact Person for Association Communications.

Below is the name and contact information for the person designated to receive official communications on behalf of Shadow Ridge Master Association and Shadow Ridge Condominium Association (hereinafter, the "Associations"), pursuant to Section 4035 of the California Civil Code. **Please submit all requests for copies of policies and meeting minutes in writing to the address below.**

Marriott's Shadow Ridge
Attn: Rhett Clements
9003 Shadow Ridge Road
Palm Desert, California 92211
Email: rhett.clements@vacationclub.com

(2) Request for Notices to Two Addresses.

A member may submit a request to the Associations to have notices sent to up to two different specified addresses pursuant to subdivision (b) of Section 4040 of the California Civil Code.

(3) Location for Posting General Notices.

The following is the location for the posting of a general notice by the Associations, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the California Civil Code: Shadow Ridge Front Desk/Lobby.

(4) Right to Receive General Notices by Individual Delivery.

An Owner may request to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the California Civil Code, by submitting a written request to the Associations.

(5) Right to Receive Meeting Minutes.

An Owner is entitled to receive copies of meeting minutes, pursuant to subdivision (b) of Section 4045 of the California Civil Code. Any such request should be made in writing to the address provided above.

(6) Statement of Assessment Collection Policies.

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association assessments may result in the loss of an

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

In a judicial or nonjudicial foreclosure, the Association(s) 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 area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

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

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code) If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

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

PAYMENTS

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

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise. An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest 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 exists. (Section 5665 of the Civil Code)

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

(7) Statement of Policies and Practices in Enforcing Lien Rights and Other Legal Remedies.

California Civil Code Section 5310(a)(7) requires that each Association describe its current policies and practices for enforcing lien rights or other legal remedies for default in payment of its assessments. We certainly encourage and appreciate prompt payment to avoid our valued Owners being subject to the actions described below.

Assessments and other amounts payable to each Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee equal to the greater of \$10 or 10% of the delinquent amount. Each Association is also entitled to receive its costs of collection from the delinquent Owner. If such delinquency is not paid within 10 days of the delivery of notice of such delinquency to the Owner (subject to the Association's compliance with requirements for such notice), the Association to which such amount is owed may elect to pursue recordation of a notice of delinquent assessment and claim of lien on behalf of such Association and thereafter seek foreclosure of the Association's lien, subject to the Association's compliance with the applicable statutory requirements, including providing at least 30 days' notice prior to such recordation. Each Association also has the right to pursue other legal remedies, including, but not limited to, the imposition of monetary penalties and suspension of an right to participate in any vote in accordance with the terms and conditions set forth in the governing documents for each Association

Shadow Ridge Master Association Bylaws. Article 3 Membership Assessments and Lien Rights. Section 3.2 ENFORCEMENT; LIEN RIGHTS. For the purpose of enforcing and collecting Assessments, this Association shall have the lien rights and other enforcement powers set forth in the Master Declaration, including, without limitation, the rights set forth in Article 10 of the Master Declaration, which lien rights shall be enforceable by the Board in the manner set forth in the Master Declaration The Board shall also have and be entitled to exercise all other rights and remedies set forth in the Master Declaration or otherwise provided for at law or in equity.

Shadow Ridge Condominium Association Bylaws. Article 3 Membership Assessments and Lien Rights. Section 3.2 ENFORCEMENT; LIEN RIGHTS. For the purpose of enforcing and

collecting Assessments, this Association shall have the lien rights set forth in Article 7 of the Declaration, which lien rights shall be enforceable by the Board in the manner set forth in Article 8 of the Declaration. The Board shall also have and be entitled to exercise all other rights and remedies set forth in the Declaration or otherwise provided for at law or in equity. We encourage you to review the provisions of the Bylaws, Master Declaration and Declaration noted above for further detail regarding the enforcement powers and remedies afforded to each Association.

(8) Statement of Association's Discipline Policy and Schedule of Penalties for Violations of Governing Documents.

The Board of each Association expects all owners and their guests to adhere to the covenants, agreements and requirements set forth in the governing documents, including the applicable Rules and Regulations and Declaration. To assist the Board of Directors in the enforcement of the provisions of the governing documents, the Board has delegated enforcement authority to the Manager. Any owner or guest who has been advised by the Manager that they are in violation of the governing documents, including the Rules and Regulations and/or the Declaration, will be required to immediately cease and desist any prohibited activity or otherwise take such actions as may be needed to correct such violation. If an owner or his guest, after being notified by the Manager that they are in violation of the governing documents, fails to comply with the Manager's direction, the matter will be referred to the Board for consideration of the assessment of penalties by reason of such person's non-compliance. The owner against whom such action is proposed to be taken has the right to appear before the Board at its next regularly scheduled meeting to contest such action, all as more particularly provided in the Bylaws and the Declaration.

Furthermore, any assessments and other amounts payable to each Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee of the greater of \$10 or 10% of the delinquent amount.

Shadow Ridge Master Association Rules and Regulations (as amended) - NON-SMOKING
Smoking is prohibited everywhere on the Master Association Property, except where designated by Manager in its sole discretion, as may be changed from time to time. Failure to comply with this Non Smoking Policy by an Owner or an Owner's guests, family or invitees may result in a cleaning fee in an amount equal to the lesser of \$250.00 or the maximum amount permitted by applicable law, which shall be a personal charge assessed to the Owner following any applicable procedural requirements. As used in the Rules and Regulations, the term "smoking" shall include the use of tobacco based products, electronic cigarettes, vaporizers, and other alternative nicotine products.

Shadow Ridge Master Association Rules and Regulations - VIOLATION OF RULES AND REGULATIONS. Violations of the Rules and Regulations should be reported in writing to the Manager or President of the Master Association. Violations needing follow-up action may be presented to the Board of the Master Association for appropriate action at its next regularly scheduled meeting or at a special meeting called for this purpose.

Master Declaration of Covenants, Conditions and Restrictions for Shadow Ridge. Article IV. Assessments. 4.8 PERSONAL CHARGES. Pursuant to the Master Declaration, the Board may levy a Personal Charge against any Lot to reimburse the Master Association for costs incurred in bringing such Lot and its Owner into compliance with the provisions of the Master Declaration or the Rules and Regulations. Personal Charges shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto. Personal Charges are not Assessments and the

remedies available to the Master Association against any Owner for nonpayment of such Owner's Personal Charges are those remedies provided in Section 10.1 and subsection 10.2(a), of the Master Declaration, and, with respect to Personal Repair Charges, those remedies provided in Section 10.1, Section 10.2(a) and Section 10.2(b), of the Master Declaration.

Rules and Regulations for Shadow Ridge Condominium Association (as amended) - NON-SMOKING Effective January 1, 2007, smoking is prohibited everywhere on the Property, including within the Units and on any adjacent/connecting balcony/patio, except where designated by the Managing Agent, as may be changed from time to time in the sole discretion of the Managing Agent. Failure to comply with this Non-Smoking Policy by an Owner or an Owner's guests, family or invitees may result in a cleaning fee in an amount equal to the lesser of \$250.00 or the maximum amount permitted by applicable law which shall be a personal charge assessed to the Owner following any applicable procedural requirements. As used in the Rules and Regulations, the term "smoking" shall include the use of tobacco based products, electronic cigarettes, vaporizers, and other alternative nicotine products.

Rules and Regulations for Shadow Ridge Condominium Association - VIOLATIONS OF RULES AND REGULATIONS. Violations of these Rules and Regulations should be reported in writing to the Managing Agent or President of the Condominium Association. Violations needing follow-up action will be presented to the Board of the Condominium Association for appropriate action at its next regularly scheduled meeting or at a special meeting called for this purpose.

Condominium Declaration of Covenants, Conditions and Restrictions for Shadow Ridge. Article VII. Assessments and Personal Charges. 7.8 PERSONAL CHARGES. Pursuant to the Condominium Declaration, the Board may levy a Personal Charge against any Condominium to reimburse the Condominium Association for costs incurred in bringing such Condominium and its Owner into compliance with the provisions of the Condominium Declaration or the Rules and Regulations. Personal Charges shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto.

(a) Personal Charges are not Assessments and the remedies available to the Condominium Association against any Owner for nonpayment of such Owner's Personal Charges are those remedies provided in Section 8.1 and subsection 8.2(a) of the Condominium Declaration, and, with respect to Personal Repair Charges, those remedies provided in Section 8.1, Section 8.2(a) and Section 8.2(b) of the Condominium Declaration.

(9) Summary of Dispute Resolution Procedures.

Pursuant to Sections 5310(a)(9) and 5920 of the Davis-Stirling Common Interest Development Act, each Association has adopted the following internal dispute resolution process:

(a) Either party to a dispute within the scope of Article 2 of the Davis-Stirling Common Interest Development Act (as described in Section 5900 of the Civil Code) may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association shall not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
- (b) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:
- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.
- (c) A member shall not be charged a fee to participate in the process.

Pursuant to Sections 5310(a)(9) and 5965 of the Davis-Stirling Common Interest Development Act, below is a summary of Article 3 of the Act with respect to alternative dispute resolution as a prerequisite to the filing of a civil action.

Neither an association nor a member may file an enforcement action in superior court for declaratory, injunctive or writ relief or for such relief in connection with a claim for monetary damages not in excess of the jurisdictional limits unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to Article 3 of the Davis-Stirling Common Interest Development Act. The provisions of this Article do not apply to a small claims action or to an assessment dispute. Any party to a dispute may initiate the process by serving a Request for Resolution on the other party which includes the items described in Section 5935 of the Civil Code including a brief description of the dispute and a request for alternative dispute resolution. If the party served fails to respond within 30 days of receipt, the request is deemed rejected. If the party served accepts the request, the parties must complete the alternative dispute resolution within 90 days of the initiating party's receipt of such acceptance, unless otherwise extended by written stipulation signed by the parties. At the time of commencement of an enforcement action, the party commencing the action is required to file a certificate with the initial pleading stating that (i) alternative dispute resolution has been completed in compliance with Article 3; (ii) one of the other parties did not accept the terms offered for alternative dispute resolution; and/or (iii) preliminary or temporary injunctive relief is necessary. After an enforcement action is commenced, the matter may still be referred to dispute resolution by written stipulation of the parties. If attorneys' fees may be awarded, the court may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

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.

(10) Summary of Requirements for Association Approval of Physical Changes to the Property.

Master Declaration of Covenants, Conditions and Restrictions for Shadow Ridge Article VI. Architectural Control. Section 6.3 DUTIES. It shall be the duty of the Architectural Control Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to insure that any Improvements constructed on the Master Project by anyone other than the Declarant conform to plans approved by the Architectural Control Committee, to adopt Architectural Control Committee Rules, to perform other duties delegated

to it by the Declarant within the time periods set forth herein and thereafter by the Board, and to carry out all other duties imposed upon it by this Master Declaration. The Architectural Control Committee, in its own name or on behalf of the Master Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements on the Master Project or any portion thereof.

Master Declaration of Covenants, Conditions and Restrictions for Shadow Ridge, Article VI. Architectural Control. Section 6.4 OPERATION OF COMMITTEE. The Architectural Control Committee shall function as follows:

(a) The Architectural Control Committee may require the submission to it of any or all of the following documents and such additional documents which it determines to be reasonably appropriate to the activity for which consent is requested:

- (1) a written description;
- (2) plans and specifications;
- (3) schematics;
- (4) elevations; and
- (5) a plot plan showing the location of the proposed structure or Improvements.

All submittals to the Architectural Control Committee shall be made in accordance with Section 6.4(b) of the Master Declaration. The Architectural Control Committee may require changes to the matters for which their approval is sought in accordance with Section 6.4(c) of the Master Declaration.

Condominium Declaration of Covenants, Conditions and Restrictions for Shadow Ridge, Article XI. Architectural Control. Section 11.2(a) GENERAL PROVISIONS. The Architectural Committee may establish reasonable procedural rules in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted; however, the Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

Condominium Declaration of Covenants, Conditions and Restrictions for Shadow Ridge, Article XI. Architectural Control. Section 11.3 APPROVAL AND CONFORMITY OF PLANS. Except as required to prevent damage or injury to persons or property in an emergency, no improvements, alterations or repairs to the Common Area shall be commenced, constructed or otherwise performed nor shall there be any improvements, alterations or repairs to any Condominium Unit as described in Section 11.3(c) of the Condominium Declaration (collectively "Improvements") except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee; provided, however, that in no case shall the Architectural Standards require Architectural Committee review for any improvements, alterations or repairs to the Condominium Units performed by Declarant or the Condominium Association so long as such improvements, alterations and repairs are limited to such Units and do not impact any common area and do not fall within the scope of Section 11.3(c) of the Condominium Declaration.

(11) Mailing Address for Overnight Payment of Assessments.

In accordance with Section 5655 of the California Civil Code, an Owner may direct overnight payments of Assessments to the following address:

Marriott Resorts Hospitality Corporation
Attn: 382056
500 Ross Street 154-0460
Pittsburgh, Pennsylvania 15250-8056

Note: This summary is not intended to contain all matters relating to California Civil Codes which are described herein, and care should be taken to review the entire California Civil Codes.

SCHEDULE OF INSURANCE

Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<p>COMMERCIAL PROPERTY Real and Personal Property, Business Income Including Extra Expense</p>	<p>Maximum Limit of Liability – Any One Occurrence, Except as Sub-limited</p> <p><u>Sublimits</u> Earthquake - Annual Aggregate Flood – Annual Aggregate Named Windstorm</p> <p>Perils: All Risk of Direct Physical Loss or Damage including Boiler & Machinery</p>	<p>\$ 500,000,000</p> <p>\$ 200,000,000 \$ 250,000,000 \$ 250,000,000</p>	<p>June 1, 2018 – June 1, 2019</p> <p>Multiple carriers provide the coverage under a Layered Participation Program.</p> <p>A list of participating carriers is available upon request.</p>	<p>All perils - \$25,000, Except:</p> <ul style="list-style-type: none"> ▪ CA Earthquake: 5%, \$250,000 minimum ▪ Flood Zones A or V, 3% \$500,000 minimum,
<p>GENERAL LIABILITY</p>	<p>General Aggregate Products – Comp. Ops. Aggregate Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Medical Expenses (Any one person)</p>	<p>\$ 15,000,000 \$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 2,500</p>	<p>October 1, 2018 – October 1, 2019 Liberty Mutual Ins. Co. Policy No. TB2651283929128</p>	<p>BI/PD Liability Combined - \$500 Per Occurrence</p>

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

All insurance coverage references and descriptions contained in this Account Summary are intended only to identify the types of coverages and generally describe specific coverage features of your insurance policies. Refer to policies for actual coverage terms and conditions. *This summary contains confidential and proprietary information. Do not copy or distribute this information without prior consent of the MVCI Insurance Department.*

SCHEDULE OF INSURANCE

Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<u>AUTO LIABILITY</u>	Combined Single Limit (BI/PD) Medical Payments	\$ 2,000,000 \$ 5,000	October 1, 2018 – October 1, 2019 Liberty Mutual Ins. Co. Policy No. AS2651283929118	Physical Damage - \$500
<u>EXCESS LIABILITY</u>	Limit of Liability	\$ 25,000,000	October 1, 2018 – October 1, 2019 American Guarantee & Liability Ins Co Policy No. AUC-9318982-07	

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

All insurance coverage references and descriptions contained in this Account Summary are intended only to identify the types of coverages and generally describe specific coverage features of your insurance policies. Refer to policies for actual coverage terms and conditions. *This summary contains confidential and proprietary information. Do not copy or distribute this information without prior consent of the MVCI Insurance Department.*

Shadow Ridge Master Association

30 Year Reserve Plan Summary

Recommended

Fiscal Year Beginning 1/1/2019

<u>Period</u>	<u>Beginning Balance</u>	<u>Income</u>	<u>Special Assessment/Loans</u>	<u>Expenses</u>	<u>Interest</u>	<u>Ending Balance</u>	<u>Avg. Fee/Unit/Wk</u>	<u>% Fee Change</u>	<u>Fully Funded Balance</u>	<u>Percent Funded</u>
FY2019	636,820	203,677	0	(107,821)	10,761	743,436	6.95	2.4%	1,408,039	52.8%
FY2020	743,436	208,476	0	(7,464)	13,775	958,223	7.11	2.4%	1,636,432	58.6%
FY2021	958,223	213,388	0	(691,914)	8,629	488,325	7.28	2.4%	1,174,350	41.6%
FY2022	488,325	218,416	0	(203,702)	7,452	510,491	7.45	2.4%	1,205,413	42.3%
FY2023	510,491	223,563	0	(207,231)	7,803	534,626	7.63	2.4%	1,239,942	43.1%
FY2024	534,626	228,831	0	(481,358)	4,504	286,603	7.81	2.4%	999,510	28.7%
FY2025	286,603	234,223	0	(129,606)	5,679	396,899	7.99	2.4%	1,120,716	35.4%
FY2026	396,899	239,742	0	(402,099)	3,685	238,227	8.18	2.4%	971,631	24.5%
FY2027	238,227	245,391	0	(84,810)	5,722	404,529	8.37	2.4%	1,151,824	35.1%
FY2028	404,529	251,173	0	(90,755)	8,190	573,136	8.57	2.4%	1,338,452	42.8%
FY2029	573,136	257,091	0	(131,476)	10,220	708,972	8.77	2.4%	1,496,104	47.4%
FY2030	708,972	263,149	0	(10,032)	13,972	976,061	8.98	2.4%	1,791,160	54.5%
FY2031	976,061	269,350	0	(665,882)	9,100	588,629	9.19	2.4%	1,427,357	41.2%
FY2032	588,629	275,696	0	(273,759)	8,768	599,333	9.41	2.4%	1,464,576	40.9%
FY2033	599,333	282,193	0	(278,501)	8,950	611,975	9.63	2.4%	1,506,318	40.6%
FY2034	611,975	288,842	0	(662,471)	4,005	242,351	9.86	2.4%	1,162,364	20.8%
FY2035	242,351	295,648	0	(285,797)	3,733	255,935	10.09	2.4%	1,204,861	21.2%
FY2036	255,935	302,614	0	0	7,918	566,467	10.33	2.4%	1,552,064	36.5%
FY2037	566,467	309,745	0	(113,978)	11,075	773,309	10.57	2.4%	1,801,617	42.9%
FY2038	773,309	317,043	0	0	15,797	1,106,149	10.82	2.4%	2,185,666	50.6%
FY2039	1,106,149	324,514	0	(176,693)	18,437	1,272,407	11.07	2.4%	2,409,143	52.8%
FY2040	1,272,407	332,160	0	(13,482)	23,231	1,614,316	11.33	2.4%	2,817,629	57.3%
FY2041	1,614,316	339,987	0	(1,116,397)	15,052	852,959	11.60	2.4%	2,116,194	40.3%
FY2042	852,959	347,998	0	(505,185)	10,528	706,300	11.87	2.4%	2,030,758	34.8%
FY2043	706,300	356,198	0	(374,282)	10,243	698,458	12.15	2.4%	2,088,731	33.4%
FY2044	698,458	364,591	0	(869,387)	3,505	197,167	12.44	2.4%	1,649,963	11.9%
FY2045	197,167	373,182	0	(234,083)	4,820	341,087	12.73	2.4%	1,864,216	18.3%
FY2046	341,087	381,975	0	0	10,262	733,324	13.03	2.4%	2,338,177	31.4%
FY2047	733,324	390,976	0	(153,177)	14,125	985,248	13.34	2.4%	2,681,126	36.7%
FY2048	985,248	400,188	0	0	20,075	1,405,511	13.66	2.4%	3,205,053	43.9%

Long Term Before Tax Interest Rate

2.50%

Long Term Inflation Rate:

3.00%

The 2019 Contribution per bedroom type is: \$4.63 for a 1 Bedroom; \$6.95 for a 2 Bedroom; \$2.32 for a Lockoff; \$6.95 for a 2 Bedroom SR11 and \$6.95 for a 2 Bedroom DLX.

The foregoing financial projections apply only as of the date of this report. These projections are subject to risks, uncertainties, estimates and assumptions based on information currently available. Some assumptions and estimates inevitably will not be accurate, and unanticipated events may occur. Therefore, actual financial results will vary, and such variations may be material. The Board of Directors should not place undue reliance on these projections in making budgeting or other financial decisions for the Association. Neither the management company nor any of its affiliates assumes any liability, or extends any guarantee or warranty, express or implied, with respect to these financial projections or actual results achieved.

Assessment and Reserve Funding Disclosure Summary

Association name: Shadow Ridge Master Association

For Fiscal Year Beginning: 1/1/2019 **# of Ownership Interests:** 569

Regular budgeted assessments:	Total	Per Ownership Interest	
Reserve Contributions	\$203,677	\$357.96	per: Year
Total Assessment Income	\$865,102	\$1,520.39	per: Year

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:

Date Assessment will be due	Amt per Ownership Interest per month or year	Purpose of Assessment
N/A		
N/A		
Total:		\$0.00

3) Based on 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**

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 will be due	Amt per Ownership Interest per month or year	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

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

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code:

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance:	\$1,408,039
Projected Reserve Fund Balance:	\$636,820
Percent Funded:	45.2%

From the 6/13/2018 Reserve Study by Armstrong Consulting, Inc. and any minor changes since that date.

7) See attached 30 Year Reserve Plan Summary Table, showing the fiscal year, projected reserve funding, estimated reserve expenses and interest, reserve balances and percent funded which is based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.

Note: The financial representations set forth in this summary is based on the best estimates of the preparer at that time. The estimates are subject to change.

Shadow Ridge Condominium Association

30 Year Reserve Plan Summary

Recommended

Fiscal Year Beginning 1/1/2019

<u>Period</u>	<u>Beginning Balance</u>	<u>Income</u>	<u>Special Assessment/Loans</u>	<u>Expenses</u>	<u>Interest</u>	<u>Ending Balance</u>	<u>Avg. Fee/Unit/Wk</u>	<u>% Fee Change</u>	<u>Fully Funded Balance</u>	<u>Percent Funded</u>
FY2019	3,734,411	2,603,252	0	(4,388,306)	38,596	1,987,953	88.83	11.7%	14,334,094	13.9%
FY2020	1,987,953	2,908,400	0	(843,498)	69,225	4,122,080	99.24	11.7%	16,282,273	25.3%
FY2021	4,122,080	3,249,317	0	(1,296,054)	111,671	6,187,015	110.88	11.7%	17,898,127	34.6%
FY2022	6,187,015	3,630,194	0	(2,893,726)	134,818	7,058,302	123.87	11.7%	17,998,562	39.2%
FY2023	7,058,302	4,055,718	0	(1,474,349)	176,280	9,815,952	138.39	11.7%	19,632,517	50.0%
FY2024	9,815,952	4,531,123	0	(2,938,164)	208,193	11,617,104	154.61	11.7%	19,930,525	58.3%
FY2025	11,617,104	4,417,845	0	(1,717,109)	251,443	14,569,283	150.75	-2.5%	21,573,100	67.5%
FY2026	14,569,283	4,307,399	0	(3,268,920)	293,746	15,901,508	146.98	-2.5%	21,779,293	73.0%
FY2027	15,901,508	4,199,713	0	(5,023,211)	271,450	15,349,459	143.31	-2.5%	20,245,235	75.8%
FY2028	15,349,459	4,094,720	0	(2,416,320)	303,196	17,331,056	139.72	-2.5%	21,441,692	80.8%
FY2029	17,331,056	3,992,353	0	(4,303,014)	308,452	17,328,847	136.23	-2.5%	20,826,109	83.2%
FY2030	17,328,847	3,892,545	0	(530,154)	364,180	21,055,418	132.82	-2.5%	24,155,361	87.2%
FY2031	21,055,418	3,795,230	0	(3,711,480)	402,065	21,541,232	129.50	-2.5%	24,447,421	88.1%
FY2032	21,541,232	3,700,349	0	(4,379,778)	378,876	21,240,680	126.27	-2.5%	24,127,692	88.0%
FY2033	21,240,680	3,607,841	0	(1,725,969)	422,405	23,544,957	123.11	-2.5%	26,647,106	88.4%
FY2034	23,544,957	3,643,919	0	(7,271,271)	377,274	20,294,879	124.34	1.0%	23,643,375	85.8%
FY2035	20,294,879	3,680,359	0	(1,983,734)	389,990	22,381,493	125.58	1.0%	26,077,963	85.8%
FY2036	22,381,493	3,717,161	0	(2,314,150)	422,315	24,206,819	126.84	1.0%	28,358,125	85.4%
FY2037	24,206,819	3,754,334	0	(6,119,306)	395,418	22,237,264	128.11	1.0%	26,907,411	82.6%
FY2038	22,237,264	3,791,877	0	(2,758,089)	415,124	23,686,175	129.39	1.0%	28,993,974	81.7%
FY2039	23,686,175	3,829,797	0	(8,060,177)	355,962	19,811,757	130.68	1.0%	25,807,251	76.8%
FY2040	19,811,757	3,868,095	0	(2,496,187)	375,951	21,559,616	131.99	1.0%	28,378,943	76.0%
FY2041	21,559,616	3,906,775	0	(2,542,426)	418,194	23,342,159	133.31	1.0%	31,130,055	75.0%
FY2042	23,342,159	3,945,842	0	(4,218,122)	434,298	23,504,176	134.64	1.0%	32,391,360	72.6%
FY2043	23,504,176	3,985,300	0	(3,608,631)	440,134	24,320,979	135.99	1.0%	34,444,408	70.6%
FY2044	24,320,979	4,025,154	0	(5,623,388)	420,505	23,143,251	137.35	1.0%	34,623,779	66.8%
FY2045	23,143,251	4,065,405	0	(1,697,168)	451,684	25,963,172	138.72	1.0%	38,978,753	66.6%
FY2046	25,963,172	4,106,061	0	(5,983,392)	459,336	24,545,176	140.11	1.0%	39,265,344	62.5%
FY2047	24,545,176	4,147,120	0	(9,741,693)	348,243	19,298,846	141.51	1.0%	35,804,538	53.9%
FY2048	19,298,846	4,188,591	0	(3,261,635)	359,526	20,585,328	142.93	1.0%	39,102,725	52.6%

Long Term Before Tax Interest Rate

3.00%

Long Term Inflation Rate:

3.00%

The 2019 Contribution per bedroom type is: \$59.22 for a 1 Bedroom; \$88.83 for a 2 Bedroom; \$29.63 for a Lockoff; \$88.83 for a 2 Bedroom SRII and \$88.83 for a 2 Bedroom DLX.

The foregoing financial projections apply only as of the date of this report. These projections are subject to risks, uncertainties, estimates and assumptions based on information currently available. Some assumptions and estimates inevitably will not be accurate, and unanticipated events may occur. Therefore, actual financial results will vary, and such variations may be material. The Board of Directors should not place undue reliance on these projections in making budgeting or other financial decisions for the Association. Neither the management company nor any of its affiliates assumes any liability, or extends any guarantee or warranty, express or implied, with respect to these financial projections or actual results achieved.

Assessment and Reserve Funding Disclosure Summary

Association name: Shadow Ridge Condominium Association

For Fiscal Year Beginning: 1/1/2019 **# of Ownership Interests:** 569

Regular budgeted assessments:	Total	Per Ownership Interest	
Reserve Contributions	\$2,603,252	\$4,575.14	per: Year
Total Assessment Income	\$7,611,606	\$13,377.16	per: Year

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:

Date Assessment will be due	Amt per Ownership Interest per month or year	Purpose of Assessment
N/A		
N/A		
Total:		\$0.00

3) Based on 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**

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 will be due	Amt per Ownership Interest per month or year	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

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

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code:

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance:	\$14,334,094
Projected Reserve Fund Balance:	\$3,734,411
Percent Funded:	26.1%

From the 7/19/2018 Reserve Study by Armstrong Consulting, Inc. and any minor changes since that date.

7) See attached 30 Year Reserve Plan Summary Table, showing the fiscal year, projected reserve funding, estimated reserve expenses and interest, reserve balances and percent funded which is based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.

Note: The financial representations set forth in this summary is based on the best estimates of the preparer at that time. The estimates are subject to change.