

December 12, 2019

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 22, 2019

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 22, 2019, at Marriott's Shadow Ridge, Theater Room, 9000 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

Present from Marriott Vacation Club® International, representing the Management Company, were: Bill Gunderson, Regional Director Resort Operations Americas, West; Matt Barker, General Manager; Angel Paz, Director of Operations; Nick Enders, Market Director of Finance-West; Michael Wirmel, Director of Engineering; Anjanae Miller, Senior Assistant Controller and Rhett Clements, Executive Assistant

Guests present were: Chris Van Ruiten and Genae Affrunti, 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 Associations to order at 8:01 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 all 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 Board Meetings was emailed to all Board Members on August 13, 2019, as required by the Bylaws of each Association.

APPROVAL OF AGENDA

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

APPROVAL OF BOARDS OF DIRECTORS MEETING MINUTES

A motion was made by Diane Howard to waive the reading of the April 25, 2019, Board of Directors 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 Diane Howard to waive the reading of the July 3, 2019, 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 Allen McLean and unanimously carried.

INVESTMENTS

Nick Enders and Chris Van Ruiten reviewed investments.

A motion was made by Diane Howard to continue the current Investment Policy for Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association with Comerica in 2020. The motion was seconded by Ron Essig and unanimously carried.

FINANCIAL REPORT

Current Financials

Mr. Enders and Anjanae Miller reviewed current financials.

Ratification of Review of Financial Statements

A motion was made by Ron Essig to ratify the Board of Directors of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association review of April, May, June, July, August and September Operating accounts, Reserve accounts, actual Operating revenues and expenses compared to budget, account statements, income and expense statements, check register, monthly general ledger, and delinquent assessment receivable reports. The motion was seconded by Diane Howard and unanimously carried.

Accounts Receivable

Ms. Miller reviewed the accounts receivable as of September 30, 2019 and the aged accounts summary for Shadow Ridge Timeshare Association. Accounts receivable represent 1.2% of the Association's billed maintenance fees, which is a 0.3% improvement compared to 2018.

A motion was made by Ron Essig to engage Crowe to conduct the 2019 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 Diane Howard to allow the Board Treasurer of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association to accept the 2019 audited financials on behalf of the Board. The motion was seconded by Allen McLean and unanimously carried.

Reserves

Mike Wirmel reviewed 2019 and 2020 Reserves for each Association as follows:

Shadow Ridge Master Association 2019 Reserves

- Asphalt slurry seal – in progress
- Purchased shuttle bus

A motion was made by Diane Howard to approve \$13,099 from Shadow Ridge Master Association 2019 Reserve Fund for asphalt slurry seal, bringing the total Master Association 2019 Reserve Fund to \$171,973 as presented to the Board in the advance meeting materials. The motion was seconded by Allen McLean and unanimously carried.

Shadow Ridge Master Association 2020 Reserves

- Refurbish resort entrance fountains/waterfall pumps

A motion was made by Ron Essig to approve \$69,521 from Shadow Ridge Master Association 2020 Reserve Fund to refurbish the resort entrance fountains/waterfall pumps as presented to the Board in the advance meeting materials. The motion was seconded by Diane Howard and unanimously carried.

Shadow Ridge Condominium Association 2019 Reserves

- Replaced fire alarms throughout the Villages
- Installed emergency lighting throughout the resort
- Replaced Snake Bites pool furniture

- Refurbished Phase 3B and 4 elevator cabs
- Refurbished front Lobby
- Replaced post indicator valves
- Update Mirage Center

A motion was made by Diane Howard to approve an additional \$192,032 from Shadow Ridge Condominium Association 2019 Reserve Fund, bringing the Condominium Association 2019 Reserve Fund total to \$6,592,811, as presented to the Board in advance meeting materials. The motion was seconded by Ron Essig and unanimously carried.

Shadow Ridge Condominium Association 2019-2020 Reserves

- Repair tile roofs throughout the resort
- Replace common area air conditioning units and ice machines
- Renovate Chuckwalla Pool fireplace area
- Replace Mirage Center televisions and game consoles
- Upgrade security cameras systems throughout the resort
- Upgrade Mirage Center audio system

A motion was made by Ron Essig to approve \$214,737 from Shadow Ridge Condominium Association 2019 Reserves Fund, to be completed in 2019-2020, as presented to the Board in advance meeting materials. The motion was seconded by Diane Howard and unanimously carried.

Shadow Ridge Condominium Association 2020 additional Reserve projects total \$652,701. Highlights included:

- Apply asphalt slurry seal at the Operations building
- Replace Enclave Park Phases 1 and 8 barbeque grills
- Repair concrete
- Purchase landscaping carts
- Paint common area building exteriors
- Refurbish Snakebites Pool concrete pool deck
- Recoat Phase 7 and Enclaves satellite building roofs
- Replace Chuckwalla Pool shade structures
- Replace exterior lighting at Chuckwalla pools

A motion was made by Diane Howard to approve an additional \$652,701 from Shadow Ridge Condominium Association 2020 Reserves Fund, bringing the Condominium Association 2020 Reserve Fund total to \$867,438 as presented to the Board in advance meeting materials. The motion was seconded by Allen McLean and unanimously carried.

Shadow Ridge Timeshare Association 2019 Reserves

- Replaced damaged villa windows and doors
- Replaced Phases 7 and 8 televisions
- Villa refurbishment
- Replaced housekeeping golf carts

A motion was made by Ron Essig to approve an additional \$57,000 to replace damaged windows and doors and \$7,861 to replace housekeeping golf carts from Shadow Ridge Timeshare Association 2019 Reserves Fund, bringing the Timeshare Association 2019 Reserve Fund total to \$21,130,303. The motion was seconded by Diane Howard and unanimously carried

Shadow Ridge Timeshare Association 2020 Reserves

- Purchase attic stock
- Purchase Phases 6 and 8 bell carts
- Purchase Phases 4 and 5 vacuum cleaners
- Replace housekeeping golf carts

A motion as made by Allen McLean to approve \$286,144 from Shadow Ridge Timeshare Association 2020 Reserve Fund as presented to the Board in advance meeting materials. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Ron Essig to authorize Richard Hayward to negotiate the final cost of the 2014-2015 project refurbishment project. Richard Hayward to share the final refurbishment cost and details to the Board. The motion was seconded by Diane Howard and unanimously carried

RESORT OPERATIONS REPORT

Angel Paz and Mr. Barker presented a review of resort operations. Highlights included:

- Guest Satisfaction Survey score highlights:
 - Resort Staff Friendliness 94%
 - Front Desk Staff Knowledge 91.3%
 - Housekeeping Cleanliness 90.4%
- Prearrival process was enhanced and included 30,000 owner and guest phone calls and email touch points
- Villa care and carpet and tile programs were reviewed

Proposed 2020 Budget and Maintenance Fee

Mr. Enders presented the proposed 2020 Budget and Maintenance Fee. Highlights included:

- Each Association is impacted by the local labor market and minimum wage increases in California
- Each Association is impacted by the insurance increase mainly due to market conditions
- Each Association was impacted by the Reserve contributions to maintain the resort assets

A motion was made by Ron Essig to approve the 2020 Shadow Ridge Master Association assessment budget, as presented by the Management Team in the total amount of \$884,894, including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the association as Exhibit A and attach to the minutes of the record of this meeting which budget includes total Operating fees of \$676,528 and Reserve Fees of \$208,366. 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: \$20.11 for a 1-Bedroom unit; \$10.09 for a Lock-Off unit; \$30.20 for a 2-Bedroom unit; \$30.20 for a 2-Bedroom SR II unit and \$30.20 for a 2-Bedroom Deluxe unit. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Ron Essig to approve the 2020 Shadow Ridge Condominium Association assessment budget, as presented by the Management Team in the total amount of \$8,142,121, including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the association as Exhibit B and attach to the minutes of the record of this meeting which budget includes total Operating fees of \$5,279,324 and Reserve Fees of \$2,862,797. 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: \$185.18 for a 1-Bedroom unit; \$92.64 for a Lock-Off unit; \$277.81 for a 2-Bedroom unit; \$277.81 for a 2-Bedroom SR II unit and \$277.81 for a 2-Bedroom Deluxe unit. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Allen McLean to approve the 2020 Shadow Ridge Timeshare Association assessment budget, as presented by the Management Team in the total amount of \$37,987,403, including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the association as Exhibit C and attach to the minutes of the record of this meeting which budget includes total Operating fees of \$28,319,940 and Reserve Fees of \$9,667,463. 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: \$856.19 for a 1-Bedroom unit; \$444.58 for a Lock-Off unit; \$1,300.76 for a 2-Bedroom unit; \$1,272.70 for a 2-Bedroom SR II unit and \$1,317.40 for a 2-Bedroom Deluxe unit. The motion was seconded by Diane Howard and unanimously carried.

A motion was made by Allen McLean to direct Marriott Resort Hospitality Corporation to waive the collection of late fees for Shadow Ridge Master Association and Shadow Ridge Condominium Association. Late fees for Shadow Ridge Timeshare Association will continue to be assessed and collected under the current practice outlined in Shadow Ridge Timeshare Association governing documents. The motion was seconded by Diane Howard and unanimously carried.

NEW BUSINESS

Announcement of Next Meeting Dates

- Board Meeting – April 23, 2020
- Board and Annual Meetings – October 30, 2020

ADJOURNMENT

There being no further business to come before the Boards, a motion was made by Diane Howard to adjourn the meeting at 11:19 a.m. The motion was seconded by Ron Essig and unanimously carried.

Submitted by:

Approved by:

Rhett Clements Date
Recording Secretary

Richard Hayward Date
President
Shadow Ridge Master Association
Shadow Ridge Condominium Association
Shadow Ridge Timeshare Association

These meeting minutes are subject to approval at the next Board of Directors Meeting

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

Organizational Meetings

October 22, 2019

An Organizational Meeting of Shadow Ridge Master Association, Shadow Ridge Condominium Association and Shadow Ridge Timeshare Association was held concurrently on October 22, 2019, at Marriott's Shadow Ridge, Theater Room, 9003 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: Debra Moreton

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 3:02 p.m., Pacific time.

ESTABLISHMENT OF QUORUM

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

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

ELECTION OF OFFICERS

A motion was made by Diane Howard 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 Allen McLean 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 Diane Howard 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 Allen McLean and unanimously carried.

A motion was made by Diane Howard 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 Ron Essig 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 3:04 p.m. The motion was seconded by Diane Howard and unanimously carried.

SHADOW RIDGE MASTER ASSOCIATION

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2020 PROPOSED BUDGET TOTAL	2020 BUDGET BY VILLA TYPE				
		1 BEDROOM 153 (PER LOT)	2 BEDROOM 21,682 (PER LOT)	LOCKOFF 153 (PER LOT)	2 BEDROOM SR1 5,769 (PER LOT)	2 BEDROOM DLX 1,702 (PER LOT)
	\$					

Revenue						
Maintenance Fee	884,894	20.11	30.20	10.09	30.20	30.20
Bank/Investment Interest	9,400	0.22	0.32	0.11	0.32	0.32
Golf Allocation Income ²	36,325	0.82	1.24	0.41	1.24	1.24
Maintenance Fee Interest Income	293	0.01	0.01	0.00	0.01	0.01
Total Maintenance Fee Revenue	930,912	21.16	31.77	10.61	31.77	31.77

Expenses						
Accounting	11,910	0.27	0.41	0.14	0.41	0.41
Administration	24,357	0.56	0.83	0.28	0.83	0.83
Audit Fee	9,671	0.22	0.33	0.11	0.33	0.33
Bad Debt Expense	2,344	0.05	0.08	0.03	0.08	0.08
Board of Directors	4,396	0.10	0.15	0.05	0.15	0.15
Contingency	0	0.00	0.00	0.00	0.00	0.00
Credit Card Fee	9,459	0.21	0.32	0.11	0.32	0.32
Electricity	45,093	1.03	1.54	0.51	1.54	1.54
Income Tax	3,854	0.09	0.13	0.04	0.13	0.13
Insurance	42,362	0.96	1.45	0.48	1.45	1.45
Landscape / Grounds	128,658	2.92	4.39	1.47	4.39	4.39
Legal	0	0.00	0.00	0.00	0.00	0.00
Maintenance	85,733	1.95	2.93	0.98	2.93	2.93
Management Fee	91,292	2.07	3.12	1.04	3.12	3.12
Postage and Printing	45,717	1.04	1.56	0.52	1.56	1.56
Transportation	212,303	4.83	7.24	2.42	7.24	7.24
Water and Sewer	5,397	0.12	0.18	0.06	0.18	0.18
Operating Fee	722,546	16.42	24.66	8.24	24.66	24.66

Reserve Fee ¹	208,366	4.74	7.11	2.37	7.11	7.11
Operating and Reserve Fee	930,912	21.16	31.77	10.61	31.77	31.77

Total Maintenance Fee	884,894	20.11	30.20	10.09	30.20	30.20
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SHADOW RIDGE CONDOMINIUM ASSOCIATION

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2020 PROPOSED BUDGET TOTAL	2020 BUDGET BY VILLA TYPE				
		1 BEDROOM 153 (PER CONDOMINIUM)	2 BEDROOM 21,682 (PER CONDOMINIUM)	LOCKOFF 153 (PER CONDOMINIUM)	2 BEDROOM SRII 5,769 (PER CONDOMINIUM)	2 BEDROOM DLX 1,702 (PER CONDOMINIUM)
	\$					

Revenue						
Maintenance Fee	8,142,121	185.18	277.81	92.64	277.81	277.81
Bank/Investment Interest	50,636	1.15	1.73	0.58	1.73	1.73
Maintenance Fee Interest Income	17,584	0.40	0.60	0.20	0.60	0.60
Rent Income	26,668	0.61	0.91	0.30	0.91	0.91
Total Maintenance Fee Revenue	8,237,009	187.34	281.05	93.72	281.05	281.05

Expenses						
Accounting	89,328	2.03	3.05	1.02	3.05	3.05
Administration	182,679	4.15	6.23	2.08	6.23	6.23
Audit Fee	9,964	0.23	0.34	0.11	0.34	0.34
Bad Debt Expense	19,928	0.45	0.68	0.23	0.68	0.68
Board of Directors	4,396	0.10	0.15	0.05	0.15	0.15
Cable-Public Use	2,410	0.05	0.08	0.03	0.08	0.08
Contingency	0	0.00	0.00	0.00	0.00	0.00
Credit Card Fee	87,263	1.98	2.98	0.99	2.98	2.98
Electricity	304,646	6.93	10.39	3.47	10.39	10.39
Gas	95,817	2.18	3.27	1.09	3.27	3.27
Housekeeping	659,218	14.99	22.49	7.50	22.49	22.49
Income Tax	31,695	0.72	1.08	0.36	1.08	1.08
Insurance	1,190,325	27.07	40.62	13.53	40.62	40.62
Landscape / Grounds	757,157	17.22	25.84	8.62	25.84	25.84
Legal	0	0.00	0.00	0.00	0.00	0.00
Maintenance	333,898	7.59	11.39	3.80	11.39	11.39
Management Fee	806,877	18.36	27.53	9.17	27.53	27.53
Pest Control	23,458	0.53	0.80	0.27	0.80	0.80
Pool Maintenance	597,202	13.59	20.38	6.79	20.38	20.38
Postage and Printing	45,717	1.04	1.56	0.52	1.56	1.56
Refuse Collection	27,883	0.63	0.95	0.32	0.95	0.95
Water and Sewer	104,351	2.37	3.56	1.19	3.56	3.56
Operating Fee	5,374,212	122.21	183.37	61.14	183.37	183.37

Reserve Fee ¹	2,862,797	65.13	97.68	32.58	97.68	97.68
Operating and Reserve Fee	8,237,009	187.34	281.05	93.72	281.05	281.05

Total Maintenance Fee	8,142,121	185.18	277.81	92.64	277.81	277.81
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SHADOW RIDGE TIMESHARE ASSOCIATION

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2020 PROPOSED BUDGET TOTAL	2020 BUDGET BY VILLA TYPE				
		1 BEDROOM 153 (PER TIMESHARE INTEREST)	2 BEDROOM 21,682 (PER TIMESHARE INTEREST)	LOCKOFF 153 (PER TIMESHARE INTEREST)	2 BEDROOM SR1 5,769 (PER TIMESHARE INTEREST)	2 BEDROOM DLX 1,702 (PER TIMESHARE INTEREST)
	\$					

Revenue						
Maintenance Fee	37,987,403	856.19	1,300.76	444.58	1,272.70	1,317.40
Bank/Investment Interest	293,556	6.80	10.20	3.40	9.08	10.86
Late Fees	82,490	1.91	2.87	0.96	2.55	3.05
Maintenance Fee Interest Income	94,951	2.20	3.30	1.10	2.94	3.51
Total Maintenance Fee Revenue	38,458,400	867.10	1,317.13	450.04	1,287.27	1,334.82

Expenses						
Accounting	494,276	11.24	16.87	5.63	16.87	16.87
Activities	669,874	11.63	23.27	11.64	20.72	24.78
Administration	1,013,877	23.07	34.60	11.53	34.60	34.60
Audit Fee	12,309	0.28	0.42	0.14	0.42	0.42
Bad Debt Expense	106,674	2.43	3.64	1.21	3.64	3.64
Billing and Collections	296,999	6.76	10.13	3.37	10.13	10.13
Board of Directors	4,396	0.10	0.15	0.05	0.15	0.15
Cable Television	85,034	1.93	2.90	0.97	2.90	2.90
Contingency	0	0.00	0.00	0.00	0.00	0.00
Credit Card Fee	366,507	8.34	12.51	4.17	12.51	12.51
Electricity	1,370,518	31.74	47.61	15.87	42.39	50.70
Fitness Center Facility License Agreement ³	473,107	10.76	16.14	5.38	16.14	16.14
Front Desk	2,492,895	57.74	86.60	28.86	77.10	92.22
Gas	190,628	4.41	6.62	2.21	5.90	7.05
Golf Facilities License Agreement ²	778,395	17.71	26.56	8.85	26.56	26.56
High Speed Internet	108,716	2.47	3.71	1.24	3.71	3.71
Housekeeping ⁷	7,610,560	173.12	259.69	86.57	259.69	259.69
Human Resources	529,190	12.04	18.06	6.02	18.06	18.06
Income Tax	120,358	2.74	4.11	1.37	4.11	4.11
Insurance	928,428	21.50	32.25	10.75	28.71	34.35
Legal	9,964	0.23	0.34	0.11	0.34	0.34
Loss Prevention / Security	951,722	16.53	33.06	16.53	29.43	35.21
Maintenance	2,876,732	65.45	98.16	32.71	98.16	98.16
Management Fee	3,764,517	84.85	128.90	44.06	126.12	130.55
Owner Services ⁵	1,355,013	30.83	46.24	15.41	46.24	46.24
Palm Desert - Weekly Facilities Fee ⁶	1,488,749	33.87	50.80	16.93	50.80	50.80
Pest Control	94,614	1.64	3.29	1.65	2.93	3.50
Postage and Printing	45,717	1.04	1.56	0.52	1.56	1.56
Refuse Collection	129,852	3.01	4.51	1.50	4.02	4.80
Telephone	139,204	3.17	4.75	1.58	4.75	4.75
Water and Sewer	282,112	6.54	9.80	3.26	8.73	10.44
Operating Fee	28,790,937	647.17	987.25	340.09	957.39	1,004.94

Reserve Fee ¹	9,667,463	219.93	329.88	109.95	329.88	329.88
Operating and Reserve Fee	38,458,400	867.10	1,317.13	450.04	1,287.27	1,334.82

International Owner's Surcharge ⁴	-----	34.50	34.50	34.50	34.50	34.50
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Total Maintenance Fee	37,987,403	856.19	1,300.76	444.58	1,272.70	1,317.40
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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



Prepared: October 16th, 2019

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Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<u>COMMERCIAL PROPERTY</u> Real and Personal Property, Business Income Including Extra Expense	Maximum Limit of Liability – Any One Occurrence, Except as Sub-limited Sublimits Earthquake - Annual Aggregate Flood – Annual Aggregate Named Windstorm Perils: All Risk of Direct Physical Loss or Damage including Boiler & Machinery	\$ 600,000,000 \$ 250,000,000 \$ 250,000,000 \$ 250,000,000	June 1, 2019 – June 1, 2020 Multiple carriers provide the coverage under a Layered Participation Program. A list of participating carriers is available upon request.	All perils - \$25,000, Except: <ul style="list-style-type: none"> ▪ \$100,000 Water Damage ▪ \$250,000 Non-Named Storm, Wind or Hail ▪ CA Earthquake: 5%, \$250,000 minimum ▪ All other Flood \$100,000 ▪ Flood Zones A or V, 3% \$500,000 minimum,
<u>GENERAL LIABILITY</u>	General Aggregate Products – Comp. Ops. Aggregate Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Medical Expenses (Any one person)	\$ 25,000,000 \$ 4,000,000 \$ 2,000,000 \$ 2,000,000 \$ 100,000 \$ 2,500	October 1, 2019 – October 1, 2020 Liberty Mutual Ins. Co. Policy No. TB2651283929129	BI/PD Liability Combined - \$500 Per Occurrence

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



Prepared: October 16th, 2019

Page: 2 of 2

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, 2019 – October 1, 2020 Liberty Mutual Ins. Co. Policy No. AS2651283929119	Physical Damage - \$500
<u>EXCESS LIABILITY</u>	Limit of Liability	\$ 25,000,000	October 1, 2019 – October 1, 2020 American Guarantee & Liability Ins Co Policy No. AUC-9318982-08	

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.*

Assessment and Reserve Funding Disclosure Summary

Association name: Shadow Ridge Condominium Association

For the Fiscal Year Ending: 12/31/2019 **# of Ownership Interests:** 569

- 1) The regular assessment per ownership interest is \$14,310 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 calculations.
- 6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the current fiscal year is \$14,813,745, based in whole or in part on the last reserve study or update prepared by Armstrong Consulting, Inc. as of 7/19/2018. The projected reserve fund cash balance at the end of the current fiscal year is \$1,525,200, resulting in reserves being 10.3 percent funded at this date.
- 7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately 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 presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funded as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2019	\$14,813,745	\$1,525,200	10.3%
2020	\$16,836,079	\$3,581,860	21.3%
2021	\$17,711,180	\$4,768,002	26.9%
2022	\$18,444,147	\$6,066,626	32.9%
2023	\$19,934,668	\$8,359,848	41.9%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funded as presented in column (d) 'Percent Funded' in each of the respective years.

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 3 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent per year.

Assessment and Reserve Funding Disclosure Summary

Association name: Shadow Ridge Master Association

For the Fiscal Year Ending: 12/31/2019 **# of Ownership Interests:** 569

- 1) The regular assessment per ownership interest is \$1,555 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 calculations.
- 6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,359,372, based in whole or in part on the last reserve study or update prepared by Armstrong Consulting, Inc. as of 6/13/2018. The projected reserve fund cash balance at the end of the current fiscal year is \$680,722, resulting in reserves being 50.1 percent funded at this date.
- 7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately 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 presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funded as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2019	\$1,359,372	\$680,722	50.1%
2020	\$1,520,140	\$832,047	54.7%
2021	\$1,186,648	\$492,645	41.5%
2022	\$1,215,695	\$514,825	42.3%
2023	\$1,248,077	\$538,859	43.2%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funded as presented in column (d) 'Percent Funded' in each of the respective years.

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 2.6 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent per year.