PGA WEST™

FAIRWAYS ASSOCIATION

2019 ANNUAL BUDGET & POLICY STATEMENT

November 26, 2018

Dear Fairways Homeowner:

In this mailer you will find the important documents listed below. Please take the time to read the information and file the report with all other documents pertaining to your home, as you may be required to show it to prospective buyers of your property.

- Cover Letter for your Special Benefit Area (SBA)
- Annual Policy Statement
- 2019 Annual SBA Budget
- 2019 Annual Fairways Base Budget
- SBA Reserve Study Disclosure
- Fairways Base Reserve Study Disclosure
- Assessment and Maintenance Allocation Breakdown
- Homeowner Information Update/Go Green
- Insurance Summary Disclosure (Common Areas Only)
- Certificate of Insurance (Common Areas Only)
- Electronic Fund Transfer (EFT) Form
- Summary of ADR/IDR Laws
- FHA/VA Disclosure
- Escrow Disclosure Form
- Certified Common Interest Development Manager Disclosure Statement
- Notice of Assessments and Foreclosure / Fairways Collection Policy
- Fairways Rules & Regulations - Enforcement Policy
- Fairways Architectural Guidelines - Application Procedures

Sincerely,

Cassie Gertz

Cassie Gertz, CCAM, CMCA
General Manager

Post Office Box 1690 • La Quinta, California 92247 • Phone (760) 776-5100 • Fax (760) 776-5111 • www.pgawestfairways.com

PGA WEST FAIRWAYS ASSOCIATION
2019 ANNUAL BUDGET REPORT

VILLAS SPECIAL BENEFIT AREA (SBA)

November 26, 2018

Dear Homeowner:

The PGA WEST Fairways Association is pleased to provide our Annual Budget Report packet, a summary of our financial health and other important information relating to your home and community. Villas SBA is part of the Fairways Association. Being a homeowner in Villas SBA automatically makes you a member of the Master Association. This packet includes information specific to your SBA and the Fairways Association, Master Association information is sent separately by that Association.

The Villas SBA continues to operate from the budget that has been approved by the California Department of Real Estate (CalDRE). Please note assessments may change as each phase within the Villas SBA is annexed into the Fairways Association. The CalDRE budget is a good faith estimate from plans prior to construction and/or completion and was prepared for the purpose of obtaining a public report.

After thoughtful review, the Board of Directors approved the Fairways Base budget for the fiscal year ending December 31, 2019. The Board believes the budget is reasonable and prudent to meet the funding needs of the association.

Monthly Assessment: Effective January 1, 2019 the total monthly assessment for your home will be $599.14. Per the Developer's Subsidy Agreement, $50 is deducted from the total monthly assessment which makes your monthly total $549.14.

This assessment amount includes a Fairways Base (Base) assessment of $170, the Master Association assessment of $127.14 and your Special Benefit Area (SBA) assessment of $302*.

SBA Assessment subject to change with new phase annexation.

The tables below are included as an overall summary breakdown of the Base and individual SBA budget. Master Association assessments are not reflected here. Please refer to the full budget sheets included in this mailer for complete information.

2018 BASE BUDGET

REVENUE

Fairways Assessment Income: $1,967,016	(100%)

EXPENSES

Administrative: $440,417	(22%)
Repairs and Maintenance: $539,929	(28%)
Reserve Allocation: $400,800	(20%)
Utilities: $585,870	(30%)

2018 SBA BUDGET

REVENUE

SBA Assessment Income: $50,736	(100%)

EXPENSES

Administrative: $9,468	(19%)
Repairs and Maintenance: $21,480	(42%)
Reserve Allocation: $10,668	(21%)
Utilities: $9,120	(18%)

Important overall budget items to note:

Base Budget: You will note no projected increase to the Fairways Base Assessment in 2019. The Fairways Board has been able to offset an increase in the Base budget despite the state-mandated increases to minimum wage and labor costs on our third-party, labor intensive contracts (such as landscape), and the continuous changes to water usage rates. The new cable/internet bulk agreement that went into effect on November 1, 2018 was factored into the 2018 budget, so future increases to this component will be considered during the 2020 budget preparation.

SBA Budgets: Some SBAs had increases in the reserve allocation as a result of various components recommended for repair/replacement over the next budget cycle. In addition, minimum wage and labor increases affected our SBA budgets relative to landscape services and tree trimming, and various SBA utilities were adjusted. Although the effects of these items vary throughout the Fairways budgets, the Board felt it necessary to keep all owners informed.

Base Reserves Funded at 75 Percent: The Board contracted with Association Reserves to perform an on-site visit reserve study for the capital components within the Fairways Association. At the beginning of the 2019 fiscal year, the Association's Base reserves are projected to be funded at 75 percent. That is an increase to the funding level from last year of over 8%. The Board is funding the reserve funding requirement through its annual reserve allocation as part of the regular assessments. A summary of the Association's reserve funding plan is enclosed. The full reserve study report is available upon request.

The Fairways Board has elected to continue with the recommendations from CalDRE for the purpose of funding Villas SBA Reserves. The reserve portion of the CalDRE budget is enclosed.

Monthly Assessment: Your monthly assessment is due on the first day of each month. The Association will continue to utilize a coupon program for payment of the monthly assessments. Payment coupon books and return labels will be mailed to you in December. Homeowners are reminded of their obligation to make assessment payments in a timely manner each month, regardless of whether the coupon books have been received. To ensure prompt payment is made each month, you may wish to enroll in the Association's EFT program by completing the enclosed form and returning it to The Management Trust, Desert Division. **If you have already enrolled in this program, you do not need to complete the form again. Coupon booklets are not distributed to those homeowners enrolled in the EFT program. If you are currently making automatic payments through your bank's online bill-pay system, please update the payment amount effective January 1, 2019.**

We hope you find these documents useful, please contact me directly if you have any questions at (760) 862-6335, or by email at Cassie.Gertz@managementtrust.com.

Sincerely,
By Direction of the Board of Directors
PGA WEST Fairways Association

Cassie Gertz, CCAM, CMCA
General Manager

PGA WEST FAIRWAYS ASSOCIATION
2019 ANNUAL POLICY STATEMENT

California Civil Code requires each Association to provide an annual policy statement to the members within 30 to 90 days of the fiscal year end. Please read these policy statements below, as they contain pertinent information regarding your community.

All official communications to the PGA WEST Fairways Association should be sent to Cassie Gertz, General Manager, P.O. Box 1690, La Quinta, CA 92247.

Secondary Address
Requires the Association to advise all owners of the right to submit a secondary address to the Association for annual reports the Association is required to provide to owners, and for mailings and notices related to assessments payments, delinquencies and foreclosures; provided that the request is made in writing and mailed to the Association in a manner that indicates that the Association has received it.

General Notices
Requires that the membership be notified of the designated area for the posting of general notices. General Notices (including meeting agendas) are posted in rider boxes at the following locations: Villas Park Area, Brae Burn Community Pool, Spanish Bay and Meadowbrook, Hermitage Community Pool, Muirfield Village and Golf View Drive, Legends Way and Troon, Shinnecock and Mountain View, and Kingston Heath and Medallist. Please be advised that all owners have the option to receive general notices by individual delivery upon written notification that is mailed to the Association in a manner that indicates the Association has received it.

Homeowners are invited to attend the monthly Board meetings, which are generally held on the fourth Thursday of each month, normally held at the Private Clubhouse on PGA Blvd.

Minutes
The minutes or a summary of minutes of a Board meeting, other than an executive session, are available to members within 30 days of the meeting. Minutes, proposed minutes, or summary of minutes will be distributed to any member upon request and upon reimbursement of the Association's costs for making that distribution. In order to make a request for a copy of minutes, members should contact the General Manager in writing.

Association Assessment & Collection Policy
Association assessments are due and payable on the first (1st) day of the month and are considered delinquent if the Association has not received payment by the fifteenth (15th) of the month. The Board of Directors Resolution regarding the collection policy for Fairways (containing the mailing address for overnight payments of assessments) is enclosed along with a special notice as required by California Civil Code.

ADR/IDR
Enclosed is a copy of the Alternative Dispute Resolution (ADR) and the Internal Dispute Resolution (IDR) process. California law requires that certain types of disputes between the Association and the Membership provide for an independent forum to resolve the dispute before the filing of a lawsuit by any party.

Architectural Procedures
The procedures for applying for approval of any additions, alterations or modifications to a home within the association are outlined in the enclosed section from the Architectural Guidelines (Article 6).

Certified Common Interest Development Manager, Disclosure Statement
Business and professional codes provide for disclosure of certifications held by the General Manager. Please review the enclosed disclosure statement.

Enforcement Policy
Should any of the rules of the PGA WEST Fairways Association be violated, the Board of Directors will implement the enforcement policy as applicable and as outlined in the enclosed sections of the Rules and Regulations (Section X - Enforcement) and Architectural Guidelines (Section 7.9 - Enforcement Procedure). You may also refer to the Association's Bylaws, Section 5.4 entitled Notice and Hearing Procedures for Disciplinary Actions Against Owners, and the Fairways Declaration, Section 9.11 entitled Enforcement.

Deficit/Special Assessment Notice - The forecasts included in this Budget are based on actual expenses and historical data for your product type. Although unforeseen emergencies or expenses may occur, the Board of Directors is confident that the 2019 Operating Budget and Reserve Study offer a sound budget to fund the Association's activities for the year. The Board is projecting no deficits in the Operating or Replacement Reserve Budgets for the 2019 Fiscal Year and does not anticipate the need to levy a special assessment to repair, replace or restore any major component. However, the Board reserves the right to approve a special assessment to repair, replace or restore any major component. The Board has not deferred any repairs or replacements of any major component with a remaining life of 30 years or less.

The Association does not have any outstanding loans with an original term of more than one year.

PGA WEST Master Association – The PGA WEST Master Association office is located on site at the Weiskopf Gatehouse located at 56144 PGA Blvd., La Quinta, CA 92253. Phone number: (760) 564-3858. You may convey concerns regarding Master Association matters to the Master Board, as the Fairways Board of Directors has no control over that Association's operations including, but not limited to, patrol services, Residential Entry gates, perimeter landscape maintenance and PGA Blvd. Please remember, as Fairways Association members, you are *also* members of PGA WEST Master Association.

BUDGET SUMMARY

PHASE NUMBER	DATE OF BUDGET	DRE FILE NUMBER
2	May-18	
NUMBER OF UNITS	TRACT NUMBER/NAME OF PROJECT	
14	Signature at PGA West - Villas	

		Per Unit Per Mo.	Total Monthly	Total Annual
100 FIXED COSTS	101. Property Taxes		-- segregated --	
	102. Corporation Franchise Taxes			
	103. Insurance (attach proposal)	$50.65	$709.14	$8,510
	104. Local License & Inspection Fees			
	105. Estimated Income Taxes			
	100 - Sub Total	$50.65	$709.14	$8,510
200 OPERATING COSTS	201. Electricity (attach work sheet)	$42.86	$600.00	$7,200
	Lighting: Leased			
	202. Gas (attach work sheet)			
	203. Water (attach work sheet)	$11.43	$160.00	$1,920
	204. Sewer/Septic Tanks/Storm Drains/ Water Retention Basins (include if not in 203)			
	205. Cable TV/Master Antenna/Telephone			
	207. Custodial Area *Number of Restrooms*			
	207a. Custodial Supplies			
	208. Landscape Area: *(See page 15.)*	$78.53	$1,099.46	$13,193
	208a. Landscape Supplies	$4.71	$65.97	$792
	209. Refuse Disposal *Vendor Name:* **Individual** *Telephone Number:*			
	210. Elevators *Number:* *Type:*			
	211. Private Streets, Driveways, Parking Areas *Area:*			
	212. Heating & Air Conditioning Maintenance *Area:*			
	213. Swimming Pool *Number* *Size:* *Mths. Heated:* Spa *Number* *Size:*			
	213a. Swimming Pool/Spa Supplies			
	214. Tennis Court *Number:*			

		Per Unit Per Mo.	Total Monthly	Total Annual
200 OPERATING COSTS	215. Access Control *Guard hours per day:* *Number of motorized gates:* *No. of Intercoms/Tel Entry:*			
	216. Reserve Study			
	217. Miscellaneous			
	Minor Repairs	$3.00	$42.00	$504
	Pest Control	$2.14	$30.00	$360
	Common Area Inspections	$0.89	$12.50	$150
	Backflow Device Maintenance	$0.27	$3.75	$45
	Roof Vents & Hose Bibs	$0.45	$6.30	$76
	218. Fire Sprinklers, Fire Alarms & Fire Extinguishers	$37.86	$530.00	$6,360
	200 - Sub Total	$182.14	$2,549.98	$30,600
300 RESERVE	301-313 (attach reserve work sheet)			
	300 - Sub Total	$63.49	$888.83	$10,666
400 ADMINISTRATION	401. Management ❶	$2.00	$28.00	$336
	402. Legal Services			
	403. Accounting			
	404. Education			
	405. Miscellaneous, office expense			
	400 - Sub Total	$2.00	$28.00	$336
	TOTAL (100-400)	$298.28	$4,175.95	$50,112
500 CONTINGENCY	501. New Construction **1.25%**	$3.72	$52.08	$625
	502. Conversions			
	503. Revenue Offsets (attach documentation)			
	TOTAL BUDGET	$302.00	$4,228.03	$50,737

❖DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

Less than 10%	equal assessments
from 10% to 20%	variable or equal
Over 20%	variable assessments

The budget and management documents indicate (check appropriate box):

- [X] equal assessments
- [ ] variable assessments

❖The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year.The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

❶ *Depending upon the level of service selected by the Association, the a may be higher.*

RESERVES WORKSHEET

DRE FILE NUMBER			TRACT NUMBER			
Item	(1) ❶ *Sq.Ft. or Number*	(2) ❶ *Unit Cost HOA Manual*	(3) ❶ *Replacement Cost*	(4) ❶ *Remaining Life*	Yearly Reserve *Columns 1x2 or 3÷4*	Cost *per Unit per Month*
Paint	**25,660**	**$0.16**			**$4,106**	**$24.44**
Stone Veneer						
Roof - Type: Concrete Tile	**31,466**	**$0.07**			**$2,203**	**$13.11**
Roof Vents & Hose Bibs	**14**	**$13**			**$187**	**$1.11**
Landscape Lights	**9**	**$6.00**			**$54**	**$0.32**
Garage Lights	**28**	**$6.00**			**$168**	**$1.00**
Street Lights	**1**	**$100**			**$100**	**$0.60**
Pole Lights	**12**	**$65**			**$780**	**$4.64**
Elevator Cab Refurbish						
Streets & Drives						
Walkways	**3,409**	**$0.02**			**$68**	**$0.40**
Concrete Drives						
Heat & Cooling						
Pool Re-plaster						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Spa Filter						
Pool/Spa Pumps						
Pool Decking						
Furnishing/Equipment						
Fitness Equipment						
Solar Panels						
Fences (paint/stain)						
Fences (repair/replace)						
Walls (paint)	**547**	**$0.10**			**$55**	**$0.33**
Walls (repair/replace)	**1,018**	**$0.20**			**$204**	**$1.21**
Tubular Steel (paint)	**883**	**$0.30**			**$265**	**$1.58**
Tubular Steel (repair/replace)	**126**	**$2.00**			**$252**	**$1.50**
Balconies (waterproofing)	**657**	**$0.42**			**$276**	**$1.64**
Mailboxes	**1**	**$63**			**$63**	**$0.38**
Tree Trimming	**31**	**$19**			**$589**	**$3.51**
Entry Monuments						
Landscape Hardware	**26,387**	**$0.01**			**$264**	**$1.57**
Landscape Replacement	**26,387**	**$0.03**			**$792**	**$4.71**
Backflow Devices	**1**	**$240**			**$240**	**$1.43**
Wall Fountain (pumps)						
				TOTAL RESERVE	**$10,666**	**$63.49**

❶ *Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.*

Note: **For space purposes, we have included only the components most frequently found in common-interest subdivisions. Reserve items should not be limited to the list above, but be tailored to your particular project.**

PGA WEST FAIRWAYS ASSOCIATION

2019 ANNUAL BUDGET

VILLAS

	BASE BUDGET	SPECIAL BENEFITS BUDGET	TOTAL VILLAS BUDGET	P/UNIT P/MONTH	TOTAL ASSOCIATION BUDGET
INCOME:					
ASSESSMENTS	49,920		49,920	297	3,070,593
SBA ASSESSMENTS		50,736	50,736	302	2,454,312
INTEREST INCOME	126	-	126	1	8,616
TOTAL INCOME:	**50,045**	**50,736**	**100,781**	**600**	**5,533,521**
EXPENSES:					
ADMIN & PROFESSIONAL					
INCOME TAXES	88	-	88	1	6,000
MASTER ASSOCIATION DUES	21,360	-	21,360	127	1,112,193
LEGAL FEES	131	-	131	1	9,504
LEGAL FEES - COLLECTIONS	29	-	29	0	7,790
AUDIT	113	-	113	1	7,750
ACCOUNTING	865	-	865	5	59,580
MANAGEMENT FEE	3,967	336	4,303	26	278,336
INSURANCE	430	8,508	8,938	53	38,512
ADMINISTRATIVE EXPENSE	619	-	619	4	43,047
RESERVE STUDY	108	-	108	1	7,400
TOTAL ADMIN & PROF:	27,710	8,844	36,554	218	1,570,112
GROUNDS & FACILITIES					
RESTROOM CLEANING	263	-	263	2	18,000
LIGHTING R&M	321	-	321	2	26,630
STREET R&M	438	-	438	3	30,900
COMMON AREA R&M	58	228	286	2	9,374
PEST CONTROL	73	360	433	3	6,176
FIRE SPRINKLERS	-	6,360	6,360	38	6,360
LANDSCAPE CONTRACT	5,358	13,188	18,546	110	1,846,128
SEASONAL FLOWERS	292	-	292	2	81,319
TREE TRIMMING	159	-	159	1	53,822
LANDSCAPE EXTRAS	53	792	845	5	11,965
LANDSCAPE COMMITTEE	350	-	350	2	24,000
IRRIGATION REPAIRS	29	48	77	0	9,068
MINOR REPAIRS	-	504	504	3	912
POOLS & SPAS	482	-	482	3	33,562
TOTAL GROUNDS & FACILITIES:	7,874	21,480	29,354	175	2,158,216
UTILITIES					
ELECTRICITY	379	7,200	7,579	45	68,908
WATER	1,081	1,920	3,001	18	391,910
GAS	195	-	195	1	13,400
CABLE TV	6,888	-	6,888	41	472,320
TOTAL UTILITIES:	8,544	9,120	17,664	105	946,538
CONTINGENCY					
CONTINGENCY	72	624	696	4	10,471
TOTAL CONTINGENCY:	72	624	696	4	10,471
RESERVE ALLOCATION:					
L/S LIGHTING	-	-	-	-	420
ROOFS	12	2,388	2,400	14	3,240
WALLS/FENCING	25	780	805	5	3,516
ELECTRICAL	131	1,104	1,235	7	54,150
STREETS/DRIVE	2,900	-	2,900	17	213,300
POOLS/SPAS	326	-	326	2	22,986
IRRIGATION/LANDSCAPE	2,284	1,884	4,168	25	384,996
PAINTING	166	4,104	4,270	25	162,636
MAILBOXES	-	60	60	0	1,356
STONE VENEER	-	-	-	-	1,236
BALCONIES	-	276	276	2	276
WALKWAYS	-	72	72	0	72
TOTAL RESERVE ALLOCATION:	5,845	10,668	16,513	98	848,184
TOTAL BASE/SBA EXPENSES:	**50,045**	**50,736**	**100,781**	**599.89**	**5,533,521**
MONTHLY ASSESSMENT PER UNIT	**599.14**				

PGA WEST FAIRWAYS ASSOCIATION

BASE BUDGET - 1/1/19 THRU 12/31/19

	PER UNIT	MONTHLY	YEARLY
INCOME:			
ASSESSMENTS	170	163,200	1,958,400
INTEREST INCOME	1	718	8,616
TOTAL INCOME:	**171**	**163,918**	**1,967,016**
EXPENSES:			
ADMIN & PROFESSIONAL			
INCOME TAXES	1	500	6,000
MASTER ASSOCIATION DUES			
LEGAL FEES	1	750	9,000
LEGAL FEES - COLLECTIONS	0	167	2,000
AUDIT	1	646	7,750
ACCOUNTING	5	4,944	59,328
MANAGEMENT FEE	24	22,667	272,000
INSURANCE	3	2,458	29,500
ADMINISTRATIVE EXPENSE	4	3,539	42,471
RESERVE STUDY	1	617	7,400
TOTAL ADMIN & PROF:	38	36,287	435,449
GROUNDS & FACILITIES			
RESTROOM CLEANING	2	1,500	18,000
LIGHTING R&M	2	1,833	22,000
STREET R&M	3	2,500	30,000
COMMON AREA R&M	0	333	4,000
PEST CONTROL	0	417	5,000
FIRE SPRINKLERS	-	-	-
LANDSCAPE CONTRACT	32	30,616	367,392
SEASONAL FLOWERS	2	1,667	20,000
TREE TRIMMING	1	906	10,875
LANDSCAPE EXTRAS	0	300	3,600
LANDSCAPE COMMITTEE	2	2,000	24,000
IRRIGATION REPAIRS	0	167	2,000
MINOR REPAIRS	-	-	-
POOLS & SPAS	3	2,755	33,062
TOTAL GROUNDS & FACILITIES:	47	44,994	539,929
UTILITIES			
ELECTRICITY	2	2,167	26,000
WATER	6	6,179	74,150
GAS	1	1,117	13,400
CABLE TV	41	39,360	472,320
TOTAL UTILITIES:	51	48,823	585,870
CONTINGENCY			
CONTINGENCY	0	414	4,968
TOTAL CONTINGENCY:	0	414	4,968
RESERVE ALLOCATION:			
L/S LIGHTING	-	-	-
ROOFS	0	71	852
WALLS/FENCING	0	144	1,728
ELECTRICAL	1	751	9,012
STREETS/DRIVE	17	16,570	198,840
POOLS/SPAS	2	1,861	22,332
IRRIGATION/LANDSCAPE	14	13,052	156,624
PAINTING	1	951	11,412
MAILBOXES	-	-	-
STONE VENEER	-	-	-
BALCONIES	-	-	-
WALKWAYS	-	-	-
TOTAL RESERVE ALLOCATION:	35	33,400	400,800
TOTAL EXPENSES:	**171**	**163,918**	**1,967,016**
MONTHLY ASSESSMENT PER UNIT	**170**		

Assessment and Reserve Funding Disclosure Summary

PGA West - Fairways - Villas, La Quinta

For Fiscal Year Beginning: 1/1/2019 # of units: 14

1) Budgeted Amounts:

	Total	Average Per Unit*	
Reserve Contributions:	$889.00	$63.50	
Total Assessment Income:	$6,608.00	$472.00	per: Month

2) Additional 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:

Year	Total Amount Per Unit*	Purpose

Total: $0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will 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? **No**

4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*
2036	$178.57
2041	$22,500.00

Total: $22,678.57

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6)

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance (based on formula defined in 5570(b)4):	$60,841
Projected Reserve Fund Balance:	$21,913
Percent Funded:	36.0 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	$2,781

From the 10/31/2018 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate per unit per the attached.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Kevin Leonard **Date: 11/12/2018**

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2019 Rate	8800-0

Fiscal Year Start: 1/1/2019	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2019	$21,913	$60,841	36.0 %	Medium	0.00 %	$10,668	$0	$261	$2,500
2020	$30,342	$81,408	37.3 %	Medium	5.00 %	$11,201	$0	$309	$10,300
2021	$31,553	$95,199	33.1 %	Medium	5.00 %	$11,761	$0	$311	$12,943
2022	$30,682	$107,340	28.6 %	High	5.00 %	$12,350	$0	$370	$0
2023	$43,402	$133,854	32.4 %	Medium	5.00 %	$12,967	$0	$487	$2,814
2024	$54,043	$158,965	34.0 %	Medium	5.00 %	$13,615	$0	$437	$34,778
2025	$33,316	$152,626	21.8 %	High	5.00 %	$14,296	$0	$392	$2,985
2026	$45,019	$179,584	25.1 %	High	5.00 %	$15,011	$0	$437	$18,079
2027	$42,387	$192,568	22.0 %	High	5.00 %	$15,761	$0	$489	$3,167
2028	$55,471	$222,088	25.0 %	High	5.00 %	$16,550	$0	$575	$13,048
2029	$59,548	$243,126	24.5 %	High	5.00 %	$17,377	$0	$669	$3,360
2030	$74,234	$275,609	26.9 %	High	5.00 %	$18,246	$0	$837	$0
2031	$93,317	$313,386	29.8 %	High	5.00 %	$19,158	$0	$764	$53,609
2032	$59,631	$297,965	20.0 %	High	5.00 %	$20,116	$0	$479	$44,056
2033	$36,170	$292,832	12.4 %	High	5.00 %	$21,122	$0	$450	$3,781
2034	$53,961	$329,967	16.4 %	High	5.00 %	$22,178	$0	$653	$0
2035	$76,792	$373,078	20.6 %	High	5.00 %	$23,287	$0	$868	$4,012
2036	$96,936	$414,347	23.4 %	High	5.00 %	$24,451	$2,500	$485	$124,211
2037	$161	$334,074	0.0 %	High	5.00 %	$25,674	$0	$109	$4,256
2038	$21,688	$376,005	5.8 %	High	5.00 %	$26,958	$0	$353	$0
2039	$48,998	$424,666	11.5 %	High	5.00 %	$28,305	$0	$612	$4,515
2040	$73,400	$471,257	15.6 %	High	2.50 %	$29,013	$0	$603	$55,809
2041	$47,207	$467,569	10.1 %	High	2.50 %	$29,738	$315,000	$238	$391,795
2042	$388	$118,894	0.3 %	High	2.50 %	$30,482	$0	$157	$0
2043	$31,027	$164,533	18.9 %	High	2.50 %	$31,244	$0	$443	$5,082
2044	$57,632	$207,569	27.8 %	High	2.50 %	$32,025	$0	$635	$20,938
2045	$69,354	$236,865	29.3 %	High	2.50 %	$32,826	$0	$835	$5,391
2046	$97,622	$284,392	34.3 %	Medium	2.50 %	$33,646	$0	$669	$95,738
2047	$36,200	$241,667	15.0 %	High	2.50 %	$34,487	$0	$508	$5,720
2048	$65,476	$291,799	22.4 %	High	2.50 %	$35,350	$0	$480	$70,697

Assessment and Reserve Funding Disclosure Summary

PGA West - Fairways - Base, La Quinta

For Fiscal Year Beginning: 1/1/2019 # of units: 960

1) Budgeted Amounts:

	Total	Average Per Unit*	
Reserve Contributions:	$33,400.00	$34.79	
Total Assessment Income:	$163,200.00	$170.00	per: Month

2) Additional 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:

Year	Total Amount Per Unit*	Purpose

Total: $0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will 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/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: $0.00

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6)

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance (based on formula defined in 5570(b)4):	$3,269,790
Projected Reserve Fund Balance:	$2,461,265
Percent Funded:	75.3 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	$842

From the 10/31/2018 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate per unit per the attached.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Kevin Leonard **Date: 11/12/2018**

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2019 Rate			8800-12
Fiscal Year Start: 1/1/2019		Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)		Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2019	$2,461,265	$3,269,790	75.3 %	Low	4.38 %	$400,800	$0	$25,645	$217,784
2020	$2,669,926	$3,579,399	74.6 %	Low	3.00 %	$412,824	$0	$27,881	$201,910
2021	$2,908,722	$3,927,722	74.1 %	Low	3.00 %	$425,209	$0	$30,321	$206,116
2022	$3,158,136	$4,153,576	76.0 %	Low	3.00 %	$437,965	$0	$32,827	$218,889
2023	$3,410,039	$4,382,658	77.8 %	Low	3.00 %	$451,104	$0	$35,891	$125,904
2024	$3,771,130	$4,724,286	79.8 %	Low	3.00 %	$464,637	$0	$39,619	$119,445
2025	$4,155,941	$5,093,010	81.6 %	Low	3.00 %	$478,576	$0	$43,065	$216,821
2026	$4,460,761	$5,382,998	82.9 %	Low	3.00 %	$492,933	$0	$45,784	$299,492
2027	$4,699,988	$5,607,352	83.8 %	Low	3.00 %	$507,721	$0	$49,267	$99,358
2028	$5,157,618	$6,055,714	85.2 %	Low	3.00 %	$522,953	$0	$53,686	$150,061
2029	$5,584,197	$6,476,777	86.2 %	Low	3.00 %	$538,642	$0	$58,180	$124,358
2030	$6,056,660	$6,948,765	87.2 %	Low	3.00 %	$554,801	$0	$62,278	$269,530
2031	$6,404,209	$7,297,558	87.8 %	Low	3.00 %	$571,445	$0	$66,638	$113,325
2032	$6,928,967	$7,830,245	88.5 %	Low	3.00 %	$588,588	$0	$71,959	$120,617
2033	$7,468,897	$8,384,316	89.1 %	Low	3.00 %	$606,246	$0	$76,927	$229,027
2034	$7,923,043	$8,856,649	89.5 %	Low	3.00 %	$624,433	$0	$80,561	$432,046
2035	$8,195,991	$9,147,743	89.6 %	Low	3.00 %	$643,166	$0	$84,062	$299,653
2036	$8,623,566	$9,598,046	89.8 %	Low	3.00 %	$662,461	$0	$89,056	$179,795
2037	$9,195,289	$10,199,848	90.2 %	Low	3.00 %	$682,335	$0	$95,166	$126,719
2038	$9,846,071	$10,889,345	90.4 %	Low	3.00 %	$702,805	$0	$100,574	$372,259
2039	$10,277,191	$11,362,040	90.5 %	Low	3.00 %	$723,889	$0	$106,166	$142,202
2040	$10,965,044	$12,101,758	90.6 %	Low	3.00 %	$745,606	$0	$94,907	$3,781,205
2041	$8,024,352	$9,131,854	87.9 %	Low	3.00 %	$767,974	$0	$63,104	$4,253,700
2042	$4,601,730	$5,603,034	82.1 %	Low	3.00 %	$791,013	$0	$27,404	$4,538,734
2043	$881,414	$1,692,121	52.1 %	Medium	3.00 %	$814,744	$0	$11,497	$288,736
2044	$1,418,919	$2,059,254	68.9 %	Medium	3.00 %	$839,186	$0	$17,283	$236,239
2045	$2,039,149	$2,509,887	81.2 %	Low	3.00 %	$864,362	$0	$23,086	$346,638
2046	$2,579,959	$2,879,294	89.6 %	Low	3.00 %	$890,293	$0	$27,121	$650,869
2047	$2,846,504	$2,965,959	96.0 %	Low	3.00 %	$917,001	$0	$32,405	$158,746
2048	$3,637,164	$3,582,231	101.5 %	Low	3.00 %	$944,511	$0	$40,199	$215,894

PGA WEST Fairways Association
Assessment & Maintenance Allocation Breakdown
Full Assessment 2019

***Norman Gate SBAs**

SBA Component	Eagle Bend (70)	Haciendas-Estates (34)	Heritage (36)	Hermitage (52)	La Cala (52)	Legends (63)	Masters (69)	Monterra* (32)	Muirfield (85)	Norman Estates* (58)	Pasadera (92)	Spanish Bay (75)	The Summit (60)	Tiburon* (19)	Toll Brothers* (71)	Turnberry* (39)
SBA	$ 147.43	$ 47.59	$ 385.83	$ 365.38	$ 123.15	$ 119.00	$ 180.00	$ 136.01	$ 133.53	$ 186.59	$ 110.35	$ 120.33	$ 176.17	$ 196.53	$ 358.75	$ 185.90
SBA Reserves	$ 27.57	$ 51.41	$ 69.17	$ 34.62	$ 78.85	$ 82.00	$ 12.00	$ 11.74	$ 20.47	$ 57.41	$ 20.65	$ 69.67	$ 24.83	$ 39.47	$ 42.25	$ 14.10
Base	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21	$ 135.21
Base Reserves	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79	$ 34.79
Master Association	$ 78.00	$ 127.14	$ 78.00	$ 78.00	$ 78.00	$ 78.00	$ 78.00	$ 156.00	$ 78.00	$ 156.00	$ 78.00	$ 78.00	$ 78.00	$ 156.00	$ 156.00	$ 156.00
Total:	**$ 423.00**	**$ 396.14**	**$ 703.00**	**$ 648.00**	**$ 450.00**	**$ 449.00**	**$ 440.00**	**$ 473.75**	**$ 402.00**	**$ 570.00**	**$ 379.00**	**$ 438.00**	**$ 449.00**	**$ 562.00**	**$ 727.00**	**$ 526.00**
Basic Cable, HBO, ShowTime	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Exterior Painting:																
Front Door		X	X		X	X						X				
Front Door Frame		X	X		X	X						X				
Building		X	X		X	X						X				
Garage Door		X	X		X	X						X				
Repair/Replacement:																
Front Tree Floodlights	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Sidewalks (lots 18-24)										X						
Repair/Replacement/Maintenance:																
Sidewall					X	X										
Wrought Iron Gates					X	X										
Maintenance:																
Address Lights/Bulbs only	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Garage Lights/Bulbs only	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Walkway Lights							X			X	X					
Landscaping:																
Front Yard	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Rear, Courtyard, Sideyard			X	X											X	

* Greg Norman Area SBAs: Monterra, Norman Estates, Tiburon, Toll Brothers and Turnberry pay 2 x Master Association Assessments ($78 x 2 = $156)

This maintenance summary is provided as a courtesy only. Homeowners should refer to the Fairways 2016 Amended and Restated Declaration, Exhibit C, for more specific maintenance information.
Villas SBA refer to Exhibit C-11B for maintenance list.

EXHIBIT "C-11B" – SIGNATURE-VILLAS SPECIAL BENEFITS AREA MAINTENANCE LIST

The following is a listing of the items within the Community, the maintenance, repair and replacement duty for which Owners, the Association, and the SBA are responsible in accordance with Section 7.2 of the Restated Declaration. This does not eliminate the Owner's responsibility to request and receive architectural approval pursuant to the Governing Documents or supersede the Owner's obligations under Section 9.3 of the Restated Declaration or any other similar provision in the Governing Documents. Each component listed is located within an Owner's Separate Interest unless noted otherwise. It is the Owner's duty to maintain, repair and replace any component that is not specifically listed and is part of his or her Separate Interest, including the garage, and is not designated as the Association or SBA's responsibility.

COMPONENT(S)	OWNER	SBA	ASSOC.
Air conditioning system – servicing individual Unit and if located in Unit or Exclusive Use Association Property	X		
Appliances – built-in or free standing	X		
Association Property landscaping, irrigation, site lighting, drainage and exterior pest control		X	
Association Property open space parks in Phase I Condo Plan including fencing, walkways, landscape, irrigation, lighting, drainage, fountain, shade structure and bench			X
Bathtub waste and overflow	X		
Cabinets	X		
Carpeting	X		
Caulking – exterior		X	
Caulking – interior	X		
Ceilings – interior	X		
Common Area (non-SBA)			X
SBA Common Areas		X	
Courtyard – see "patio"	--	--	--

COMPONENT(S)	OWNER	SBA	ASSOC.
Deck/Balcony (Plans 3 & 4 only)[13] – sweep and keep free of debris and trash, paint, repair or replace deck components if caused by willful or negligent acts of Owners, family, tenants or guests	X		
Deck/Balcony (Plans 3 & 4 only) – periodic structural repair, resurfacing, sealing, caulking, replacement or painting of the fencing, floor and wall surfaces in Exclusive Use Area deck, maintain structural integrity and surface of any wall enclosing the deck or separating adjoining deck		X	
Doorbell	X		
Door, front entry – door, locks, hardware, weather stripping/waterproofing, interior surface including painting, and exterior painting touch ups with same color and material if necessary between SBA scheduled maintenance	X		
Doors, front entry – frame – scheduled maintenance only		X	
Doors, front entry – scheduled painting - exterior surface		X	
Doors, interior	X		
Doors, screen/storm/security	X		
Doors, sliding glass – door, glass, tracks, locks, weather stripping, rollers, screen	X		
Doors, sliding glass – frame – scheduled maintenance only		X	
Drains — bathtubs, showers, sinks	X		
Drainage systems (e.g., ditches, catch basins, curbs) – SBA Common Areas		X	
Drainage systems – Non-SBA Common Areas			X
Drainage system and splash blocks – Exclusive Use Common Areas	X		
Driveway – concrete and/or asphalt surfaces		X	
Dryer vents, exiting through the side wall	X		

[13] Modifications to the deck/balcony are prohibited.

COMPONENT(S)	OWNER	SBA	ASSOC.
Dryer vents, exiting through the roof		X	
Drywall, interior	X		
Electrical outlets – within Exclusive Use Common Area exclusively serving a Unit	X		
Electrical panel, circuit breakers – serving individual Unit wherever located	X		
Electrical panel, circuit breakers – serving more than one Unit		X	
Electrical switches, outlets, sockets, wall plates – interior	X		
Electrical wiring – serving individual Unit wherever located	X		
Electrical wiring – serving more than one Unit or Association Property		X	
Entry Monument Improvement, if any		X	
Exhaust fans, exiting through the side wall	X		
Exhaust fans, exiting through the roof		X	
Exterior building surfaces		X	
Exterior faucets, handles, washers		X	
Exterior lighting bulbs only – garage, front door and second story lighting fixtures on the front of the buildings			X
Exterior lighting – garage fixture, including electricity and photo cell; fixtures at front door, patio/courtyard, balcony/deck, and at second story on the front of the building		X	
Exterior lighting bulbs only – electricity for fixtures at front door, patio/courtyard, balcony/deck, and at second story on the front of the building	X		
Exterior lighting – courtyard/patio and balcony/ deck bulbs	X		
Fire sprinklers – sprinkler heads and other components solely serving the Unit	X		

COMPONENT(S)	OWNER	SBA	ASSOC.
Fire sprinklers – pipes, valves, pressure gauges that serve more than one Unit, system maintenance and testing		X	
Floor, structural		X	
Floor coverings – carpet, vinyl, tile and wood	X		
Foundation		X	
Furnace – serving individual Unit and if located in Unit or Exclusive Use Association Property	X		
Garage door opener	X		
Garage door – hardware, weather stripping, clean surfaces, accidental damage not related to normal wear and tear	X		
Garage door – including garage door and scheduled exterior paint		X	
Garage floor	X		
Garbage disposal	X		
Gas stub – within Exclusive Use Common Area exclusively serving a Unit	X		
Gas lines – serving individual Unit and if not serviced by provider or SBA	X		
Gas lines – serving Association Property or more than one Unit		X	
Gates – Exclusive Use Common Areas – keep clean, replace locking mechanism on gates as needed	X		
Gates – Exclusive Use Common Areas – maintain structural integrity and surface for gates on any wall enclosing or separating courtyards and patios		X	
Glass, unit windows/doors	X		
Gutters and downspouts		X	
Handrails – not inside Units		X	
Hose bibs		X	
Insulation		X	
Insurance – Common Areas			X

COMPONENT(S)	OWNER	SBA	ASSOC.
Insurance – Separate Interest, including personal property and all other property and improvements within Unit (e.g. cabinets, fixtures, flooring, wall coverings, etc.)	X		
Insurance – Villas Buildings		X	
Landscaping – Common Area (non-SBA)			X
Landscaping – Common Area		X	
Landscaping – Exclusive Use Common Areas (courtyards, patios, porch, deck)	X		
Lighting fixtures – SBA Common Areas		X	
Lighting fixtures – Non-SBA Common Areas			X
Lighting fixtures – interior	X		
Mailbox key replacement or broken lock	X		
Mailboxes		X	
Painting - interior	X		
Plumbing fixtures, interior (toilets, tubs, sinks, faucets, etc.)	X		
Plumbing lines – serving individual Unit only wherever located[14]	X		
Plumbing lines – serving more than one Unit wherever located		X	
Plumbing lines – serving Association Property		X	
Patio/courtyard/entry/porch [15] – sweep and keep free from debris and trash, paint, repair or replace components if caused by willful or negligent acts of Owners, family, tenants or guests	X		

[14] Owner may plunge blocked drains, but may not use a snake in any pipe unless instructed to do so by the Association.

[15] Modifications to porch and concrete slab are prohibited. Improvements to the courtyards and patios, such as installation of fountain and posts, require written approval from the Association.

COMPONENT(S)	OWNER	SBA	ASSOC.
Patio/courtyard/entry/porch – concrete and drainage within Exclusive Use Common Area patios, courtyards, entries and porches, scheduled structural repair, resurfacing, sealing, caulking, replacement or painting of the floor, concrete, drainage and wall surfaces; maintain structural integrity and surface of any wall enclosing the Exclusive Use Common Areas or separating Exclusive Use Common Areas		X	
Pest control – within Exclusive Use Common Areas and Separate Interests	X		
Pest control – Common Area		X	
Pressure regulators – serving individual Unit	X		
Roofs – decking, flashing, shingles/tiles, under-layments, vents and other roofing components		X	
Sewer lines and back-ups – serving individual Unit and if not serviced by provider or Association	X		
Sewer lines and back-ups – serving Association Property or more than one Unit		X	
Sidewalks		X	
Slab		X	
Smoke alarm or detector	X		
Stairways not inside Units		X	
Streets			X
Stucco scheduled painting/coloring, repair and replacement		X	
Termite treatment and inspection – Common Area		X	
Toilet – wax ring	X		
Trim, exterior, including painting		X	
Walls, bearing, studs, frames, tiedowns, other structural Items		X	
Walls, non-bearing	X		
Walls – common building walls – wallboard and surface finishes inside Unit	X		

COMPONENT(S)	OWNER	SBA	ASSOC.
Walls – common building walls – structural elements, including any fire assembly, noise mitigation measures and insulation		X	
Walls – block walls between Haciendas-Estates Lots and Villas – half of wall structure facing Haciendas-Estates Dwellings and exterior of wall facing Haciendas-Estates Dwellings		Haciendas - Estates	
Walls – block walls between Haciendas-Estates Lots and Villas - half of wall structure facing Villas and exterior of wall facing Villas		X	
Walls – Exclusive Use Common Area – keep clean	X		
Walls – Exclusive Use Common Area – structural integrity and surface of any wall enclosing or separating courtyards and patios		X	
Wallpaper/paneling	X		
Water heater	X		
Water softeners – serving individual Unit	X		
Windows – glass, flashing, weather stripping, locks, screens and all screen components, caulking	X		
Window – frames – scheduled maintenance only		X	
Wiring – cable TV	X		
Wiring – electrical – serving individual Unit and if not serviced by provider or Association	X		
Wiring – electrical – serving Association Property or more than one Unit		X	
Wiring – telephone	X		

_____ CC
_____ TL
_____ DD
_____ Excel

PGA WEST®
Fairways Association
ADDRESS INFORMATION FORM

SBA:_____

OWNER NAME(S):_____

PGA WEST FAIRWAYS ADDRESS: _____

LOCAL HOME PHONE: _____ **FAX NUMBER:** _____

CELL PHONE: _____ **ALTERNATE CELL PHONE:** _____

***MAILING ADDRESS:** _____

AWAY PHONE: _____ **OTHER:**_____

PRIMARY E-MAIL ADDRESS: _____

SECONDARY E-MAIL ADDRESS: _____

"I, _____, a homeowner in PGA WEST Fairways Association, _____ *agree* or _____ *do not agree* (check one) to the Association printing, releasing or distributing my email address to any SBA Delegate, (your neighborhood representative).

By checking "agree," I understand that the Association may print, release or distribute my e-mail to any SBA Delegate (neighborhood representative). By checking "do not agree," I understand that I am opting out of sharing my e-mail address with any SBA Delegate and by doing so I may not receive important information regarding the Association. By checking "do not agree," I understand that the Association may maintain my e-mail address for its records only, and shall not print, release, or distribute it to any SBA Delegate without my prior written consent."

In an effort to "Go Green" the Fairways Association is requesting that you allow management to send certain information via email. Below is the Civil Code pertaining to Document Distribution to Members, which reads as follows:

Civil Code Section 4055 & 4045 – Document distribution to Members

Section 4055, 4045 is added to the Civil Code and sets forth specific methods of delivery of documents from the Association to its members, including the following methods: (1) personal delivery; (2) via first class mail, postage prepaid; (3) via e-mail, fax or other electronic means, provided the member recipient has agreed in advance method; (4) by publication in a periodical distributed primarily to members of the association (such as a monthly newsletter); (5) via television programming broadcast by the association to its members , such as an association in-house channel; (6) by a method set forth in the association's recorded documents; or (7) by any method of delivery to which the member recipient has agreed. Documents may be included in billing statements or other distributions associations make its members.

With this Legislation, the Association now has the ability to send certain materials via e-mail ***which will significantly reduce the postage and printing costs for such delivery***. If you would like to receive Association documents by e-mail please sign below and return.

OWNER SIGNATURE _____ **DATE**_____

Please Print and Return to P.O. Box 1690, La Quinta, CA 92247 or fax to 760-776-5111. Help us Go Green!

LaBarre/Oksnee Insurance

PGA WEST FAIRWAYS
INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. **GENERAL LIABILITY INSURANCE**

- A. Name of insurer: Philadelphia Insurance Company
- B. Policy limits: $1,000,000 each occurrence and $2,000,000 aggregate
- C. Amount of deductible (if any): N/A
- D. Umbrella coverage, if applicable: $25,000,000
- E. Umbrella carrier: Firemans Fund Insurance Company
- F. Policy dates: 01/01/2018-01/01/2019

II. **PROPERTY INSURANCE**

- A. Name of insurer: Philadelphia Insurance Company
- B. Policy limits: $7,243,500
- C. Amount of deductible: $2,500
- D. Policy dates: 01/01/2018-01/01/2019

III. **EARTHQUAKE INSURANCE**

- A. Name of insurer: N/A
- B. Policy limits: N/A
- C. Amount of deductible: N/A
- D. Policy dates: N/A

IV. **FLOOD INSURANCE**

- A. Name of insurer: N/A
- B. Policy limits: N/A
- C. Amount of deductible: N/A
- D. Policy dates: N/A

V. **FIDELITY BOND INSURANCE**

- A. Name of insurer: Great American/Liberty Mutual Insurance Company
- B. Policy limits: $6,000,000
- C. Amount of deductible: $1,000
- D. Policy dates: 01/01/2018-01/01/2019

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.

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

PGAWE-4 OP ID: BE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/12/2018

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

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

PRODUCER LaBarre/Oksnee Insurance PD License # 0C84283 30 Enterprise #180 Aliso Viejo, CA 92656 Becky Hayes 800-698-0711	CONTACT NAME: LaBarre Oksnee Insurance PHONE (A/C, No, Ext): 800-698-0711 FAX (A/C, No): 949-588-1275 E-MAIL ADDRESS:
INSURED PGA West Fairways c/o The Management Trust PO Box 1690 La Quinta, CA 92247	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Philadelphia Indemnity Ins. Co — 18058 INSURER B: Liberty Mutual Insurance — 23043 INSURER C: Great American Group — INSURER D: Liberty Mutual Insurance — 23043 INSURER E: PMA Insurance Group — 12262 INSURER F: —

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY							
	CLAIMS-MADE OCCUR	X		PHPK1760246	01/01/2018	01/01/2019	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
B	X D&O $1,000,000			CAP039105-0118	01/01/2018	01/01/2019	MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY							
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	OWNED AUTOS ONLY / SCHEDULED AUTOS			PHPK1760246	01/01/2018	01/01/2019	BODILY INJURY (Per person)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
D	X UMBRELLA LIAB OCCUR							
	EXCESS LIAB CLAIMS-MADE			SUO00032271991-26585-1	01/01/2018	01/01/2019	EACH OCCURRENCE	$ 25,000,000
	DED X RETENTION $ 0						AGGREGATE	$ 25,000,000
								$
E	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N	N / A		2018010640391Y	05/01/2018	05/01/2019	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Property Coverage			PHPK1760246	01/01/2018	01/01/2019	$2500 Ded	7,243,500
B	Fidelity Bond			CAC019596/SSA-392-56-74-0	01/01/2018	01/01/2019	$1000 Ded	$6,000,000*

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The association has a total of 960 Units/14 units (covered for structural damage)**See Notes for addresses.Property Coverage is Single Entity and includes 100% Replacement Cost / Special Form. and 946 units for common area only Building Ordinance or Law Coverage included **Crime is $1,000,000 w/Liberty Mutual & $5,000,000 w/Great American #SSA-392-56-74-06679-00

CERTIFICATE HOLDER

MONARCH

The Management Trust
P. O. Box 13710
Palm Desert, CA 92255

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Becky Hayes

ACORD 25 (2016/03)

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The ACORD name and logo are registered marks of ACORD

There are 14 condos (part of Signature Villas in which structural coverage is provided)

80-408 Whisper Rock Way, 80-418 Whisper Rock Way, 80-428 Whisper Rock Way, 80-438 Whisper Rock Way, 80-495 Whisper Rock Way, 80-481 Whisper Rock Way, 80-467 Whisper Rock Way, 80-453 Whisper Rock Way, 80-439 Whisper Rock Way, 80-425 Whisper Rock Way, 80268 Redstone Way, 80256 Redstone Way, 80244 Redstone Way, 20232 Redstone Way

PGA FAIRWAYS HOMEOWNERS ASSOCIATION
ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION

To enroll in the ELECTRONIC FUND TRANSFER (EFT) PLAN, please complete, sign, attach a voided check and return this form to:

The Management Trust
Post Office Box 13710
Palm Desert, California 92255-3710

THE BANK MUST OPERATE WITHIN THE UNITED STATES FEDERAL RESERVE BANKING SYSTEM

_____

Enter the Exact Name(s) on your Bank Account from which you wish the payments to be deducted

_____

Name of Bank & Branch where the Account is Held

_____

Address of the Bank Branch - including ZIP Code

_____

Your PGA FAIRWAYS Property Address

_____ _____

Your Telephone Number (daytime contact number) HOA Account Number

I/We understand and agree that payments will be deducted from my above indicated bank account **ON OR ABOUT, BUT NO EARLIER THAN, THE 5th DAY OF EACH MONTH** (note if your homeowners association collects assessments other than monthly, the payments will be deducted on or about the 5th day of the first month of the assessment cycle). I/We authorize the above named homeowners association and its designated agent, The Management Trust, to charge my/our above bank account indicated above for any and all assessments adopted by the above named homeowners association on the due date as adopted by the Board of Directors. My homeowners association and its designated agent, The Management Trust, may continue to charge the above account until the Association receives my/our written notice of cancellation.

NOTICE TO ACCOUNT OWNER: The bank, the above named homeowners association and its designated agent, The Management Trust, reserves the right to terminate this automatic payment option at any time. Signatures of all owners of the deposit account are required on this authorization.

_____ _____

Signature Date Signature Date

In order to process your request, a VOIDED CHECK must be attached to this form.
(A deposit slip is insufficient)
To be effective on the 5th of the month, this form and your voided check must be received by the last day of the preceding month.

ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

PLEASE NOTE, Civil Code section 5965 states:

> "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."

Please note that the section headings below are not a part of the law, but are present only to assist you in identifying the contents of each section.

§5925. ADR Definitions

As used in this article:

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

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

(1) Enforcement of this act.

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

(3) Enforcement of the governing documents.

§5930. ADR Required Before Filing Certain Actions

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

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

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

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

§5935. Initiating ADR by Request for Resolution

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

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

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

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

§5940. Time for Completing ADR Process and Cost Splitting

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

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

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

§5945. Effect of ADR on Statutes of Limitation

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

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

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

§5950. Filing ADR Certificate when Filing Court Action

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

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

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

(3) Preliminary or temporary injunctive relief is necessary.

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

§5955. Referral to ADR and Stay of Court Action by Stipulation

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

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

§5960. Refusal to Participate in ADR; Effect on Award of Fees and Costs

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

§5965. Annual Disclosure of ADR Procedures to Members

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:
"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

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

INTERNAL DISPUTE RESOLUTION PROCESS

The Association Board reserves its right to draft and provide its own Internal Dispute Resolution ("IDR") process, consistent with the requirements set forth in Civil Code §§ 5900-5910. Until such time as the Board adopts a different internal dispute resolution process, the statutory procedure set forth in Civil Code §5915 below shall apply.

§5915. Default IDR Procedure

(a) This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article 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[1] 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.

(c) ***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.

(d) A member shall not be charged a fee to participate in the process.

1. **Statement Regarding FHA Certification**

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 / is not (circle one)] a condominium project. The association of this common interest development [is / is not (circle one)] certified by the Federal Housing Administration.

2. **Statement Regarding VA Certification**

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 / is not (circle one)] a condominium project. The association of this common interest development [is / is not (circle one)] certified by the federal Department of Veterans Affairs.

PGA West Fairways Homeowners Association

4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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: _____

Owner of Property: _____

Owner's Mailing Address: _____

(if known or different from property address)

Provider of the **Section 4525** Items:

Tanna Mead	Division Collections Specialist	The Management Trust-DCAL	10-1-2018
Print Name	Position or Title	Association or Agent	Date Form Completed

Check or Complete Applicable Column or Columns Below:

Document	**Civil Code Section Included**	**Fee for Document**	**Not Available (N/A) or Not Applicable (N/App)**
Articles of Incorporation (or statement that not incorporated)	Section **4525(a)(1)**	$25.00	
CC&Rs	Section **4525(a)(1)**	$50.00	
Bylaws	Section **4525(a)(1)**	$35.00	
Operating Rules	Section **4525(a)(1)**	$15.00	
Age Restrictions, if any	Section **4525(a)(2)**		Refer to the Demand
Rental Restrictions, if any	Section **4525(a)(9)**		Refer to CC&Rs
Annual Budget Report (or summary, including Reserve Study)	Sections **5300** and **4525 (a)(3)**	$35.00	
Assessment and Reserve Funding Disclosure Summary	Sections **5300** and **4525 (a)(4)**		Included in Budget
Financial Statement Review	Sections **5305** and **4525(a)(3)**	$50.00	
Assessment Enforcement Policy	Sections **5310** and **4525(a)(4)**		Included in Budget
Insurance Summary	Sections **5300** and **4525 (a)(3)**		Included in Budget
Regular Assessment	Section **4525(a)(4)**		Refer to the Demand
Special Assessment	Section **4525(a)(4)**	$0.00	Refer to the Demand
Emergency Assessment	Section **4525(a)(4)**		Refer to the Demand

PGA West Fairways Homeowners Association

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Other Unpaid Obligations of Seller	Sections **5675** and **4525(a)(4)**		Refer to the Demand
Approved Changes to Assessments	Sections **5300** and **4525(a)(4), (8)**		Included in Budget
Settlement Notice Regarding Common Area Defects	Sections **4525(a)(6), (7)** and **6100**		Refer to the Demand
Preliminary List of Defects	Sections **4525(a)(6), 6000** and **6100**		Refer to the Demand
Notice(s) of Violations	Sections **5855** and **4525(a)(5)**		Refer to the Demand
Required Statement of Fees	Section **4525**	$210.00	aka Demand
Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested)	Section **4525(a)(10)**	$75.00	
Total fees for these documents:		**$ $495.00**	

*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.

Buyer and Seller may negotiate who pays document and disclosure fees.

The management company was not paid a referral fee by HomeWiseDocs as part of this transaction.

This is the minimum document offering required to meet CA Statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property.

Please note: Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand), and are not included within estimated charges outlined within this form.

CERTIFIED COMMON INTEREST DEVELOPMENT MANAGER DISCLOSURE STATEMENT

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

The location of my principal office is:

The Management Trust, Desert Division
39-755 Berkey Drive, Suite A
Palm Desert, CA 92211
(760) 776-5100

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

Manager: Cassie Gertz, CCAM, CMCA

Certification Held:
CCAM – Certified Community Association Manager
Original Certification Date: February 28, 2012
Recertification Date: February 28, 2021
Status: Active
Registration Number: 6737
Issuing Agent:
California Association of Community Managers, Inc. (CACM)
23461 South Pointe Drive, Suite 200
Laguna Hills, CA 92653
(949) 916-2226

Certification Held:
CMCA – Certified Manager of Community Associations
Original Certification Date: September 20, 2016
Recertification Date: October 1, 2020
Status: Active
Registration Number: 16703
Issuing Agent:
The Community Association Managers International Certification Board (CAMICB)
6402 Arlington Blvd., Suite 510
Falls Church, VA 22042
(703) 970-9300

I do not hold an active real estate license.

Respectfully,

Cassie Gertz, CCAM CMCA
Fairways General Manager

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common 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 association. (Section 5675 of the Civil Code)

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

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share 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)

ASSESSMENT, COLLECTION & PAYMENT POLICY FOR ASSESSMENTS

PGA WEST FAIRWAYS ASSOCIATION, INC.

Amended December 2014

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. LAWFUL RESTRICTION UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUCTED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

ASSESSMENT, COLLECTION AND PAYMENT POLICY FOR ASSESSMENTS PGA WEST FAIRWAYS ASSOCIATION, INC.

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

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

PGA WEST Fairways Association, Inc.
THE MANAGEMENT TRUST | MONARCH GROUP DIVISION
39-755 Berkey Drive, Suite A
Palm Desert, CA 92211-1106

If a check is returned for insufficient funds, the Owner will be charged a $20.00 fee. Post-dated checks will not be accepted.

3. **APPLICATION:** Monetary payments received from an owner will be credited to balances on the owner's account in the following order:

(a) Special assessments,
(b) Regular assessments,
(c) Monetary penalties or fines.
(d) Late charges
(e) Administrative and/or Legal fees and costs,
(f) Interest.

4. **LATE CHARGE:** All assessments shall be delinquent if not paid within **fifteen (15) days** after they become due and will result in the imposition of a late charge of ten percent (10%) of the delinquent assessment or ten dollars ($10.00), whichever is greater. Furthermore, the Association shall be entitled to recover any reasonable collections cost, including attorneys' fees, that the Association then incurs in its efforts to collect the delinquent sums.

5. **INTEREST:** If an assessment payment is not paid within **thirty (30) days** of its original due date, interest may be imposed on all sums due, including the delinquent assessment, collection cost, and late charges, at an annual percentage rate of twelve percent (12%) OR the rate specified within the CC&R's, whichever is less.

6. **SECONDARY ADDRESS:** Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall

send additional copies of any collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives such written request.

7. **PAY OR LIEN LETTER:** When an assessment payment from the Owner becomes delinquent, a notice of delinquency (**"Pay or Lien Letter"**) shall be sent to the Owner by regular first-class mail and certified mail, return receipt requested. The Pay or Lien Letter shall provide at least thirty (30) days' written notice to a delinquent Owner prior to recording a **"Notice of Assessment Lien"** against the delinquent Owner's property and further provide an itemized statement of the charges, including a breakdown of: (a) the principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the Association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pay or Lien Letter.

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

9. **SHOW CAUSE HEARING:** Additionally, a delinquent Owner may be given a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (i) the Owner's voting privileges, (ii) the operation of the cable television services to the Owner's Lot/Unit, (iii) the gate transponder privileges, and/or (iv) the Owner's privileges for use of the common area/recreational facilities (hereinafter, collectively, **"Membership Privileges"**) should not be suspended for non-payment of the delinquent assessment(s) (**"Show Cause Hearing"**)

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

a. Written notice shall be mailed to the Owner not less than ten (10) days prior to the date of such a hearing by first class or certified mail at Owner's last known address as shown on the Association's records. The notice shall set forth the amount of delinquency owed by the Owner and time, date and place on which the hearing shall be held;

b. The Board of Directors shall provide an opportunity for the Owner to be heard, orally or in writing, at the Show Cause Hearing prior to making any determination on the suspension of any Membership privileges;

c. In the event good cause is not shown and the Owner's account has not been brought current, then the Board may suspend any of the Owner's Membership Privileges. [Cable television services shall be reinstated upon the Owner's account being brought current and upon payment to the cable company to facilitate reinstatement of cable service.] The Board shall hold the hearing in Executive Session; provided, however, if the Board is requested by a Member to have his/her matter be heard in an open Board meeting, then the matter must be heard in an open Board meeting, and not in Executive Session.

d. After the Show Cause Hearing, the Board of Directors shall provide, within fifteen (15) days, written notice to the Owner of the suspension of any Membership Privileges.

10. ASSESSMENT LIEN:

a. If the delinquent Owner does not bring his/her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors shall approve the recordation of a Notice of Assessment Lien. The Board's decision to record the Notice of Assessment Lien shall be by a majority vote of a quorum of the Board members at an open Board Meeting. The Board's action should refer to the parcel number of the property that is delinquent, rather than the name of the owner. The Notice of Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), the then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorney's fees. Recording this notice creates a lien, which is subject to foreclosure, against the delinquent Owner's property. Within ten (10) days after a lien is recorded for delinquent assessments, the Association, or its designated agent, will mail a copy of the lien to all record owners of the property as set forth in California Civil Code §5660.

b. At the same time, the Association shall advise the Association's collection agent/bank that it should accept no further monies from this delinquent Owner until the

assessment lien has been paid in full. Owners shall not send any assessment payments to the Association once the matter has been turned over to the Attorney for collection; such payments shall only be accepted by the law firm. Any payments delivered to the collection agent shall be forwarded to the attorney's office; the attorney shall then release the lien if payment in full was made by the delinquent Owner. Attorney's fees shall be charged to the Owner at this stage.

c. **Collection Agency and Small Claims Court:** Association may elect, in its sole discretion, to hire a collection agency or initiate a small claims court action to advance the collection of delinquent assessments against a former member (Civil Code §5700(a).).

11. PRE-FORECLOSURE ACTIONS:

a. No earlier than thirty (30) days after the Notice of Assessment lien has been recorded, the Association shall make a written pre-foreclosure offer to meet and confer with the delinquent Owner, consistent with the process identified in paragraph 8 herein (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty (30) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with Civil Code §5925, *et. seq.* (**"ADR Offer"**). Owner shall have thirty (30) days from the date of the ADR Offer to decide whether or not Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure). Any additional notices or time periods the Association might use are extended solely as a courtesy. No Owner shall be entitled- to expect longer time limits or notices other than those which are required by law or the governing documents.

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

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

§5720 (2). The procedure used shall be non-judicial foreclosure pursuant to *Civil Code* §2924, et seq., and *Civil Code* §5710. The foreclosure action shall include:

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

ii. A Preliminary Title Report shall be obtained from a title company.

iii. All attorney's fees, costs, late charges, interest, penalties, fines, charges and expenses billed to the Association for any of the above activities shall be added to the Owner's account and shall become the liability of the Owner.

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

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

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

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

a. **Payment Within 60 Days:** If an Owner can bring himself/herself/itself current within sixty (60) days, inclusive of assessments which accrue within the sixty (60) days of the payment plan, the Association will forbear filing a Notice of Assessment Lien and the Owner will

not incur the Assessment Lien costs if the payment plan is strictly followed. The payment plan may include an administrative cost of $475.00. By agreeing to the 60 day payment plan, the Owner further agrees that if he/she/it fails to make any of the payments identified in the payment plan, the Association shall have the right to file a Notice of Assessment Lien without recommencing the pre-lien or Pay or Lien Notice process.

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

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

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

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

SECTION X
Enforcement

A. Due Process

Prior to the imposition of any fine or suspension of rights, the Member shall be given notice and an opportunity to appear in person or in writing before the Board or appropriate committee.

B. Enforcement Policy

The following actions may be taken by the Association to enforce violations of the Governing Documents (Declaration, By-Laws, Rules & Regulations and Architectural Guidelines).

1. Once the Association receives a written complaint as to a violation occurring within the Association development, or a violation is noted in periodic walk-throughs by management, Association staff, or by security, the enforcement process may be started against the offending Member, as set forth below.
2. Nothing in this policy obligates or requires the Board, or any authorized committee, to take enforcement action.
3. Depending upon the severity and frequency of the violation and the violator, the choice of enforcement procedure(s) and/or enforcement remedy used may vary.

C. Actions That May Be Taken

I. Responses and penalties for violations of the Association's Governing Documents may include:

1. Warning letters (Courtesy notices).
2. Hearings and fines, upon Due Process Requirements (as set forth in Civil Code § 5855 and Section E, below) being followed, in accordance with the fine schedule set forth in Section F.
3. Assessments to reimburse the Association for costs of repairing damage to the common area or replacing items which cannot be repaired, or for costs incurred in bringing the Member's residence into compliance with the Governing Documents, including but not limited to, legal fees. Assessments shall be imposed after compliance with the Due Process Requirements set forth herein.
4. Suspension of the following: voting rights, telecommunication services, gate transponder privileges, or rights to use the Common Area facilities, upon Due Process Requirements being followed;
5. Instituting Internal Dispute Resolution (IDR) (Civil Code § 5910, et seq.);
6. Instituting Alternative Dispute Resolution (ADR) (Civil Code § 5925, et seq.);
7. A lawsuit.
8. Other actions or a combination of actions, as permitted by law or the governing documents, including Section 9.11 entitled "Enforcement" of the Declaration.
9. Summary removal without prior notice of signs in violation of the Rules & Regs, and Assessment of fees for removal, storage, and/or disposal of signs.

D. Enforcement Process

Generally, though not necessarily, the Association will adhere to the following procedures:

1. At the first offense, a warning letter and request to correct a violation (if applicable) may be issued.
2. If the violation continues, or is not corrected, a letter and notice of a hearing may be issued, in which the Member will be notified of a possible fine, assessment, and/or suspension of privileges.
3. If the violation continues, or is not corrected thereafter, the Association may initiate one of the following enforcement actions, depending upon the nature of the violation and violator:

(i) Legal Counsel: The matter may be sent to the Association's legal counsel. Any costs/attorney's fees incurred will be charged as an individual reimbursement assessment, after the Member has been provided due process.

(ii) IDR: Association may invite the Member to participate in Internal Dispute Resolution pursuant to Civil Code § 5910.

(iii) ADR: Association may offer to submit the dispute to Alternative Dispute Resolution (ADR) pursuant to Civil Code § 5925. Any costs incurred for the mediator or arbitrator is to be split among the parties.

4. Association has the right to proceed with legal action to compel compliance with the governing documents. The prevailing party in any dispute is entitled to recovery of attorney's fees and costs.
5. These steps may vary, and legal action may be immediately sought in the form of a Temporary Restraining Order or other injunctive relief where appropriate.
6. Summary removal of signs not in compliance with these Rules & Regs is permitted without notice as set forth in Section IV.D.

Payment of an assessment or fine, or completion of a suspension period does not eliminate the Member's obligation to correct the violation.

Upon due process requirements being followed, non-payment of any assessment may result in suspension of the following: voting rights, telecommunication services, vehicle entry transponders, or rights to use the Common Area facilities (Section 5.16 of the Declaration).

E. **Due Process Requirements [Civil Code § 5855]**

Due process shall consist of at least a ten (10) day notice that the Board intends to meet and consider imposing discipline on a Member. (Towing and summary removal of improper signage, as described above, are not disciplinary actions, and shall not require prior notice and hearing.) The notice shall contain the alleged violation and intended penalty/enforcement action, date/time/location of the meeting, and a statement that the Member has a right to attend and address the Board. The hearing may be scheduled in executive session concurrent with any regular or special Board meeting or annual meeting. If the Member chooses not to attend and address the Board, alternatively, the Member may submit a response in writing. If the Board imposes discipline on the Member, the Board shall provide written notice to the Member within fifteen (15) days following the hearing decision.

F. **Fine Schedule**

Fines will usually vary from $50 to $5,000 per offense. In extreme cases, the fines may be substantially higher.

Due to high volume of disturbances during holidays or high profile events such as Coachella Music & Arts Festival, Stagecoach Festival, Desert Trip, CareerBuilder Challenge, etc., violations may result in fines beginning at a minimum of $2,500.

G. **Cost Incurred in Enforcing Rules & Regulations**

All costs including, but not limited to, court costs, reasonable attorney's fees, and management fees incurred in enforcing these Rules & Regulations shall be borne by the responsible Member. Non-payment of these costs of enforcement may result in an Assessment being levied against the Member and may be collected in the manner set forth in the Association's Declaration of Restrictions.

(c) Adjacent Property. Streets, gutters, storm drain system, drywalls and adjacent sites are to be kept clean and free of dirt, trash, debris or other material related to or caused by the work.

(d) Dust Control. Continuous dust control is to be maintained on the site during construction operations and in strict compliance with all City ordinances and regulations.

Section 7.8 Disposal of Debris. Any debris generated from a job site must be removed from the site. No material may be placed in or near the street, Common Area, neighboring Lots or any other portion of the property covered by the Declaration and Supplemental Declarations.

The Owner who is responsible for the construction shall be liable for any cleanup costs, accidents, or removal of such debris. All debris shall be promptly removed to controlled dumpsites in accordance with governmental rules and regulations.

Section 7.9 Enforcement Procedure

(a) Inspections. The members of the Architectural Committee, security staff, or representatives of the management company that have been retained by the Board for the management of the PGA WEST Fairways Association and any other persons designated by the Board shall have the right to conduct periodic inspections to verify that the Authorized Persons are complying with all of the provisions of the Regulations and to insure that the construction of the Improvements is proceeding in accordance with the approved plans and specifications and in accordance with water conserving measures. Entry may be made without notice in the event of an emergency involving potential danger to life or property. Entry for routine inspections shall be made at any reasonable time, after written or oral notice to the Owner of not less than three (3) days. Such entry will be made with as little inconvenience to the Owner as practical. A copy of the Architectural Committee inspection form attached as Exhibit "C" should be used by an Owner to request periodic inspections on the site.

(b) Noncompliance. In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed within the time limitation established for such Improvement in the Architectural Guidelines or in substantial conformance with the approved plans and specifications, the Board shall have the right and power to correct the violation or take other appropriate action in accordance with the procedure described in Section 9.11 entitled "Enforcement" of the Declaration, Section 5.4 entitled "Notice and Hearing Procedures for Disciplinary Actions Against Owners" of the Bylaws, and in accordance with the Enforcement Policy procedure described in the Fairways Rules & Regulations, as applicable.

(c) Enforcement. The Board shall have all the available remedies permitted by the Association Management Documents and by law to enforce the architectural control provisions of the Association Management Documents which include these Regulations. Such rights include, but are not limited to, stopping the construction if any general contractor, job superintendent, subcontractor, supplier or their employees are in violation of any provision of these Regulations and removing or causing the removal of any Improvements that have been made or constructed in violation of any of the provisions of the Regulations or the approved plans and specifications.

(d) Deposit. Any portion of the Deposit that has not been used for the repair of any damage or the replacement of any damaged Improvements (including without limitation damage to the golf course property, streets, curbs, gutters, storm drain facilities, landscaping, adjacent Lots and all Improvements thereof, and all other Common Area) caused by the construction activities of an Owner shall be refunded to such Owner only after final compliance inspection has been made and all of the repair activity has been

satisfactorily completed. Owner acknowledges and agrees that if the Owner is delinquent in the payment of his monthly assessments, liens, fines or any other fees due to the Association, the Board may elect, in its sole discretion and upon due notice to the Owner, to retain sufficient monies from the Deposit to bring the Owner's account current.

Section 7.10 **Agreement and Covenant Running With the Land.** Owner acknowledges and agrees that Association shall have the right in its sole discretion, to cause the "Agreement and Covenant Running with the Land", a copy of which is attached hereto as Exhibit "G" and by this reference made a part hereof, to be recorded against Owner's Lot in connection with and as a condition of the Architectural Committee's approval of Owner's Improvements. Owner agrees to cooperate with Association in executing the Agreement and Covenants Running with the Land in a timely manner as requested by the Association.

ARTICLE 5

MAINTENANCE

Section 5.1 **Areas of Responsibility.** Owners shall maintain all Improvements within their Lots except any Improvements described in the Declaration or a Supplementary Declaration that are being maintained by the Association.

(a) Plants and Trees. Plants and trees that have been installed that are not on the Association's Approved Plant Palette, or are in excess of the approved number of trees in an SBA in areas maintained by the Association, are to be maintained and replaced solely at the homeowner's expense if approved by the Architectural Committee (i.e. maintenance agreement).

(b) Citrus Trees. Any citrus trees that are planted in rear or side yards must be maintained on a weekly basis. Fallen or rotten fruit shall be removed and disposed of as necessary to avoid rodents and other pests. Citrus trees shall not be planted in the front yard.

Section 5.2 **Standards of Maintenance.** All Improvements within or upon a Lot are to be maintained in a first class condition and repair and in a clean and attractive condition. Any slopes and terraces are to be maintained so as to prevent erosion. If an Improvement is not maintained in accordance with the guidelines, a courtesy notice will be sent to the homeowner requesting maintenance be performed within thirty (30) days, followed by a hearing before the Board of Directors which may result in a fine for non-compliance.

Section 5.3 **Exterior Improvements.** All Improvements to the exterior of the property must be approved by the Architectural Review Committee. Exterior Improvements include modifications to roofs, exterior painting of house, party walls, gates, fences, garage doors, structures and any changes to exterior lighting.

ARTICLE 6

PROCEDURE FOR FILING APPLICATION

Section 6.1 **Improvements Requiring Approval.** The construction or installation of any Improvements or devices, changes to existing Improvements, the reconstruction of Improvements, or the installation or change of exterior Improvements requires the submission of forms, plans and specifications for review and approval of the Architectural Committee before any such construction or installation activity is commenced.

Changes requiring the approval of the Architectural Committee include, but are not limited to: changes to interior walls, floors and rooms, fences, and improvements within decks, balconies, yards, exterior painting, roof modifications, party walls, gates, fences and other appurtenances, but in the event of a substantial or total destruction of any Improvements on a Lot that is not being reconstructed to a standard or condition as originally constructed by the participating Builder or by an Owner as previously approved by the Architectural Committee, may also include the reconstruction of any such Improvements on a Lot. This includes any Improvements that can be seen from the common areas such as the street, golf course or golf cart path.

Section 6.2 **Address for Submittal.** The Application for Approval of Plans and Specifications and documents indicated below should be provided to the Architectural Committee at the following address:

PGA WEST Fairways Association
P.O. Box 1690
La Quinta, CA 92247
Attn: Architectural Committee

Physical Location:
39-755 Berkey Drive Suite A
Palm Desert, CA 92211

Section 6.3 **Procedure for Application.** The submission of forms, plans and specifications in connection with the construction or installation of any Improvement or for the change or modification of any Improvement must include all of the following:

(a) Application for Approval of Final Plans and Specifications;

(b) Architectural Review Fee in the amount designated if required by Architectural Committee or Board of Directors;

(c) Deposit in the amount designated on the Application Form;

(d) Grading plans (if applicable) where the established drainage pattern might be altered by the proposed Improvements;

(e) Plot plan, irrigation and landscape plans consisting of sketches and product specifications (to include height of any Improvements in relation to the nearest wall(s) and Lot).

(f) Copy of Contractor State License and proof of insurance.

(g) Samples of materials such as awnings, pavers, paint colors, stone etc.

(i) Any other information or documentation deemed necessary by the Architectural Committee.

Each of the foregoing items is discussed in more detail below.

An Application will not be deemed to be complete until all of the foregoing items have been provided to the Architectural Committee at the address indicated above.

Section 6.4 **Application for Approval.** The Application for the approval of plans and specifications for the construction, installation or modification of Improvements must be accompanied by an executed Application for approval of Final Plans and Specifications in the form attached as Exhibit "A". The application may also require completion of Exhibit "D-1" or "D-2" when Improvements include landscape changes.

Section 6.5 **Architectural Review Fee.** The Architectural Committee or Board of Directors can impose a reasonable Architectural Review Fee, consistent with the Declaration and Supplemental Declarations, for the review, processing, approval/disapproval of plans and specifications for any Improvements on a Lot.

Section 6.6 **Deposit.** The Architectural Committee shall require a reasonable Deposit for any construction, reconstruction, alterations or remodels which could result in damage to Improvements on other Owner's property, the Common Area or that are required to be maintained by the Association. The Deposit shall be used to cover the cost of restoring, repairing or work not completed on any such Improvements that are damaged or destroyed as a result of the construction activity of any Owner or an Owner's contractors, subcontractors, suppliers, or any employees of any of the foregoing. *NOTE: Special*

care shall be given to all irrigation and landscape previously installed by the Participating Builder. Owner will be responsible for any damage to the above existing installations damaged during construction or remodel of his Improvements. In the event the Deposit is inadequate to cover the cost of any such restoration and repair or if the Deposit has been exhausted prior to completion of the Improvements, an additional Deposit in an amount determined by the Architectural Committee may be required. Any unused portion of the Deposit will be returned after all construction and landscaping activity, including clean up, has been completed or installed and accepted by the Architectural Committee and the Improvement is in substantial conformance to the plans and specifications approved by the Architectural Committee

Section 6.7 **Governmental Approval.** Approval by Architectural Committee shall not be deemed to be approved by the local governmental agency.

Section 6.8 **Approval of Governmental Changes.** Any changes required or requested by the local governmental agency, to plans and specifications previously approved by the Architectural Committee, must be returned to the Architectural Committee for further review and approval.

Section 6.9 **Expiration of Approval.** Approvals of plans and specifications by the Architectural Committee shall be valid for one (1) year from the date of approval. If construction has not started before the expiration of this period of time, the approval will terminate and the plans and specifications must be resubmitted. The completion of the initial landscaping Improvements must be completed **within six (6) months from the close of escrow** of the purchase of the Lot from a participating builder. The date by which any other construction or alteration must be completed shall be determined by the Architectural Committee at the time of the approval of the plans and specifications and shall be based upon the type of improvement that is being made.

Section 6.10 **Duration of Project.** The duration of a project should conform to the amount of time requested by the homeowner on the Exhibit "A" form of the application; and subsequently approved by the Architectural Committee. A project that is not completed in the requested timeframe may be subject to the Enforcement Procedure (Section 7.9) outlined in this document.

Section 6.11 **Request for Inspection.** Upon completion of any work, the Owner shall submit written notice of such completion to the Architectural Committee in the form attached hereto as Exhibit "C". A Compliance Review will be made within thirty (30) days after such notice. If the Improvements were not made in substantial compliance with the approved plans, the Owner will be notified in writing of such noncompliance within such thirty (30) day period and the Owner will be required to correct the violation.

(a) When during the performance of a requested compliance review it is found that the owner has made excessive changes/additions to the plans approved by the Architectural Committee, those excessive and unapproved changes/additions must be resubmitted to the Architectural Committee for further consideration and possible approval before release of the construction deposit to the Owner. This resubmittal may require another application fee, application form and possible additional Deposit.

Section 6.12 **Approval Dates.** The Declaration contains certain performance dates for the submittal and approval of plans and specifications and for the satisfactory completion and approval of the Improvements that were made, as follows:

An Application will not be deemed complete until all of the documents and information set forth above or required by the Architectural Committee has been provided to the Architectural Committee.

No application will be deemed approved unless (1) the owner receives prior written approval of the Architectural Committee or Board; or (2) the owner complies with the requirements of Section 9.6.4 of the CC&Rs and does not receive a response within 30 days. Further outlined below:

(a) The Architectural Committee shall review the complete submission and within thirty (30) days of its receipt, provide a written response to the requesting Owner, including an explanation of the reasons for any disapproval.

(b) In the event the Architectural Committee fails to provide a written response to the requesting Owner within thirty (30) days after the receipt of the complete submission, the Owner may notify the Board in writing that a response has not been received. If the Board fails to respond within thirty (30) days of the receipt of the notice, approval will not be required and the related covenants shall be deemed to have been fully satisfied, so long as the proposed Improvement does not violate any requirements of the Governing Documents or Applicable Law.

(c) In the event the Architectural Committee disapproves the submission, the Owner may appeal to the Board of Directors provided that such appeal is received by the Board not more than fifteen (15) days following the final decision of the Architectural Committee. The appeal request will be placed on the Board's next regularly scheduled meeting agenda for consideration. The Board shall render its decision on any appeal within thirty (30) days following the review at its regularly scheduled meeting. If the Board fails to respond within this set time frame, the request for appeal shall be deemed a decision in favor of the appellant.

(d) If an inspection has not been made within thirty (30) days of notification by an Owner of the completion of an Improvement or if the Owner requesting such inspection has not been notified of any noncompliance within thirty (30) days after such inspection, the Improvements shall be deemed to be completed in substantial conformance with approved plans and specifications.

(e) The Architectural Committee shall provide to any Owner, prospective Owner, Mortgagee or prospective Mortgagee of a Lot who has submitted a written request a statement as to the compliance or noncompliance, as the case may be, of the Improvements upon a Lot made by an Owner with the provisions of the Association Management Documents provided that the Architectural Committee, after notice of not less than three (3) days to the Owner of such Lot, was afforded the right to enter upon the affected Lot at a reasonable time specified by the Architectural Committee.

Section 6.13 Variance. The Board may also grant a variance from compliance with certain architectural standards and requirements in accordance with the Declaration under certain extenuating circumstances. An Owner may request a variance from compliance with Regulations by submitting the form attached hereto as Exhibit "B".

Section 6.14 Preliminary and Final Conceptual Plans. The provisions of this Section shall apply only in connection with the reconstruction of a dwelling unit on a Lot that has been substantially or totally destroyed where a decision has been made by the affected Owner to reconstruct such dwelling unit to a standard or condition other than as initially constructed by Declarant. In the event of such reconstruction, the provisions of this Section shall prevail in the event of any conflict with any other provisions of this Article.

(a) Application. Each Application must contain complete sets of the preliminary conceptual plans (plot plan, floor plans and elevations) as specified on Exhibit "A" and preliminary product specifications signed and stamped by a Registered Licenses Architect. Preliminary drawings shall contain the following information:

(i) Plot Plan. Plot plan drawn to minimum 1" – 8' (1/8") scale showing Lot layout, dimensions, north arrow, drainage and other easements, topographical information such as property lines, walls, top and toe of all slopes. Building outline, roof outline, drives, walks, garden walls (including their heights), and other site Improvements shall be shown on the plot plan as required by the Architectural Committee. The Plot Plan shall reflect all Improvements on adjacent Lots. Typically all sheets should be dated, titled, and inscribed with the Owner's name, Lot/Unit number, Architect's name and address.

(ii) As previously noted, drainage of each home site has been carefully designed, and the proposed plot plan cannot alter or modify this design except in compliance with the provision of these Regulations. The submitted plot plan must clearly show that the original drainage as developed by the participating Builder is kept intact. It is the responsibility of the Owners to obtain accurate Lot layout topographic information. No changes can be made to any drainage facilities within any Lot or to any other Improvements within a Lot that would interfere with the reasonable drainage to or through such drainage facilities including without limitation, drainage from any other Lot that is serviced by such drainage facilities without the prior approval of the Architectural Committee. If any drainage facilities prove to be inadequate for reasonable drainage from any adjacent Lots, such drainage facilities shall be relocated, repaired or modified until it can be demonstrated that such drainage facilities do adequately provide reasonable drainage from such adjacent Lots.

(iii) Exterior Colors and Materials. Exterior colors (siding, stucco, trim, accents, etc.) and materials (siding, masonry, roofing, stucco) for the construction, reconstruction or modification of Improvements must be consistent with the exterior colors and materials of the Improvements within the PGA WEST Fairways Association and the specific Special Benefits Area. Pre-approved colors have been selected for each SBA to assist homeowners with selecting paint colors. Homeowners are encouraged to select from the pre-approved color scheme, however, if they desire colors that are not on the pre-approved color board they must make a specific request on the Architectural application to include the submission of desired colors.

(iv) Preliminary Landscape Plans. Each Application must contain complete sets of the plans, specifications, sketches and product catalogs as specified in Exhibit "A" which plans shall be a minimum of 1' – 10'0" (1/10 scale). These plans shall be coordinated with the Owner, the Owner's consultant/builder and Licensed Landscape Architect, and shall be included, stamped, and signed in both preliminary and final architectural submittal packages for approval.

(v) Construction Details. Structural elements such as retaining walls or shade structures must be per governmental standards and approved by a structural engineer.

(b) Final Plans and Specifications. Two (2) complete sets of Working Drawings and Product Specifications, one (1) rendering and one (1) exterior color/material board specifying colors and materials by manufacturers' product number, shall be submitted to the Architectural Committee if required as indicated above. Working Drawings and specifications shall contain all of the information that was required for preliminary drawings plus additional information as outlined below and must be stamped "Final".

(i) Plot Plan. Plot plan drawn to scale showing all information required for preliminary plot plan and also specific flow and manner of surface and/or underground drainage, finish and natural grade elevations at building corners, and street elevations at curb.

(ii) Wall Details. Foundation plans and details and retaining wall details if applicable.

(iii) Roof. Roof mounted mechanical equipment is unacceptable.

(iv) Sections. Structural sections including, but not limited to the following details:

(v) Landscape. Landscape plans and details shall utilize plant materials from the Approved Plant Palette (including size, location and number); provide a sample of rock, pavers, gravel, boulders, if any to be installed; provide complete detail of landscape lighting and irrigation systems; and provide full elevations (including overall height) of any fountains or other water features.

(A) Any details necessary to explain exterior design features and junctions of dissimilar materials;

(B) Details necessary to indicate, explain, and clearly define the design and construction of fences, garden walls, trellises, planters, or any other exterior structures;

(C) Location of exterior lighting including fixture cuts

One (1) copy of the submittal shall be retained by the Architectural Committee.

ARTICLE 7

GENERAL CONSTRUCTION REQUIREMENTS

Section 7.1 **Use of Qualified Personnel.** It is the responsibility of each Owner to: (a) to insure that the personnel hired are qualified to perform all of the construction activity and properly insured, and (b) to provide at all times qualified on-site supervision while work is being performed. In addition, an emergency number shall be given to the Architectural Committee for it to contact the Owner and/or the on-site construction supervisor.

Section 7.2 **Compliance with Declaration and Supplemental Declarations and Regulations.** It is the responsibility of the Owner to insure that his contractor or superintendent and all other construction consultants and personnel comply with all applicable provisions of the Declaration and Supplemental Declarations and the Regulations, including without limitation, the Architectural and landscaping Standards and the construction restrictions imposed by this portion of the Regulations.

Section 7.3 **Temporary Construction Facilities.** Temporary construction facilities, if any, shall be placed upon the Owner's Lot and not upon any street or Common Area. Where possible, such facilities, should be screened from the view of the public and neighboring properties.

Section 7.4 **Compliance with Approved Plans and Specifications.** It is the responsibility of each owner to insure that the Improvements are constructed according to the plans, specifications and revisions that were approved in writing by the Architectural Committee. Construction shall proceed diligently, continuously and expeditiously during the permitted hours of construction.

Section 7.5 **Conduct and Safety Precautions**

(a) Trespass. No Owner, general contractor or any other persons such as employees, subcontractors, suppliers, architects, job superintendents, delivery truck drivers or other authorized construction workers, authorized by the Owner or his contractor to enter the site for authorized purposes (hereinafter "Authorized Persons") shall enter upon the property of any other Owner or golf course

EXHIBIT A

ARCHITECTURAL APPLICATION FOR APPROVAL OF PLANS AND SPECIFICATIONS

TO: PGA WEST Fairways Association
Attn: Architectural Committee
P.O. Box 1690
La Quinta, CA 92247
Fax: (760) 776-5111

NAME OF OWNER: _____

PROPERTY ADDRESS: _____

MAILING ADDRESS: _____

TELEPHONE #'S: _____

EMAIL ADDRESS: _____ SBA _____

Description of Improvements desired (give full details of type and extent of improvements):

_____

_____

_____

_____

ARCHITECT, CONTRACTOR, ENGINEER OR OWNER'S REPRESENTATIVE:

NAME: _____

MAILING ADDRESS: _____

TELEPHONE #s: _____

FAX#: _____ Email: _____

PROVIDE COPY OF: **CONTRACTOR'S LICENSE**
CERTIFICATE OF LIABILITY INSURANCE
COPY OF CONTRACTORS ESTIMATE (IF APPLICABLE)

Estimated project value: $_____

Requested amount of time required to complete improvements: _____

Please include the following as required by your project (mark N/A by those that aren't relevant)

_____ Exhibit "A" (Application for Approval of Plans & Specification) - 1 set
_____ Exhibit "D" (Approved Plant Palette Checklist, if applicable)
_____ Landscape/Irrigation/Lighting Plans - 1 set
_____ Preliminary Floor Plans - 1 set
_____ Final Plans (Marked "Final" and in compliance with setbacks) - 1 set
_____ Hardscape Plans - 1 set
_____ Detailed Plans and/or Drawings - 1 set
_____ Elevations - 1 set
_____ Performance Deposit (10% of project total)

ARCHITECTURAL APPLICATION FOR APPROVAL OF PLANS AND SPECIFICATIONS

FEES/ DEPOSITS

Performance Deposits:

- Performance Deposit is not required for minor changes such as a tree, a few shrubs, boulders, pots/vases, and painting of homes in SBAs where the homeowner is selecting colors from the pre-approved palette and utilizing a contractor that is already on file with the Association.

- For all other work, a refundable Performance Deposit of 10% of the total cost (rounded to the nearest hundred) must be submitted to the HOA when applying for the approval of the Architectural Committee to proceed. Please provide a copy of the contractor's estimate with this form. The refund will be made upon completion of the work, following an inspection by the Architectural Committee, and approval of the HOA. Checks shall be made payable to PGA WEST Fairways Association.

Other Possible Fees:

- A Homeowner Maintenance Agreement and $350 recordation fee may be required in some special situations (i.e. wooden garage door installations) as deemed necessary by the Architectural Committee. Notification of the Maintenance Agreement requirement will be included with the decision letter from the Committee once reviewed.

- In certain situations, additional fees associated with the review of plans and specifications for proposed Improvements and/or inspection of ongoing or completed exterior modifications and/or interior modifications of condominium units may be required if determined by the Board and/or Architectural Review Committee. This could include a procedure for review of preliminary and final plans by a licensed architect, landscape architect or licensed engineer. This fee is not refundable.

OWNER'S STATEMENT: The undersigned Owner acknowledges and agrees:

1. That no work on this request shall commence until written approval of the Architectural Committee has been received.
2. That the application submitted for approval by the Architectural Committee shall not be deemed complete until Owner has provided all of the items required for the type of improvements contemplated as indicated on the Supplemental Guidelines attached check sheet or as required by the Architectural Committee.
3. That Owner has read, understands, and shall comply with all requirements of the Regulations and the provisions of Section 9 of the Declaration.

OWNER'S SIGNATURE_____ **DATE** _____

NOTE: By signature on this application, Homeowner understands and agrees that if Homeowner is delinquent on the payment of any assessment at the time when refund of architectural deposits would be due, Association shall be entitled to withhold refund of said deposits until Association is notified by management that Homeowner's arrearages have been paid. Association shall notify Homeowner of the amount of the arrearage and the remaining amount on deposit.

For a complete description of the Architectural Guidelines refer to the most recently adopted Fairways Architectural Guidelines. All necessary forms that need to be submitted to the HOA can be obtained by calling Management at 760-776-5100 ext. 6345 or downloaded from the Fairways website at http://www.pgawestfairways.com.