

# 2025 Annual Budget and Policy Disclosure

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## Palm Desert Country Club Association



NOVEMBER 20

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Prepared by: Personalized Property Management  
Community Manager: Patricia Moeller



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# Summary

Dear Homeowner,

As required by the Civil Code, the Board of Directors have reviewed the current year's budget compared to income and have determined no need for an increase in the annual assessment in order for the Association to be able to meet monthly operating expenses.

**The Annual assessment will remain \$398.00.**

## ANNUAL BUDGET REPORT

Civil Code § 5300 creates minimum disclosure requirements by consolidating various disclosures under this "Annual Budget Report", which consists of the following Statements or Disclosures:

~ **2025 Operating Budget - Enclosed**

~ **Summary of Reserves - Enclosed**

~ **Reserve Funding Plan - Enclosed**

~ **Assessment and Reserve Funding Disclosure Summary Form - Enclosed**

~ **Major Component Repair Statement**

*In accordance with Civil Code § 5300(b)(4) and as of the date of this letter the Board has chosen not to defer any maintenance and will undertake replacement of any major component with a remaining life of 30 years or less as scheduled.*

~ **Anticipated Special Assessment**

*In accordance with Civil Code section 5300(b)(5) and as of the date of this letter the Board does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.*

~ **Reserve Funding Mechanism Statement**

*In accordance with Civil Code section 5300(b)(6) the Board uses regular assessments to fund reserves to repair or replace major components.*

~ **Procedures for Calculating Reserves Statement** – *(Included in Reserve Funding Disclosure Summary)*

~ **Outstanding Loan Statement**

*In accordance with Civil Code section 5300(b)(8) The Association does not have any outstanding loans.*

~ **Insurance Summary – Enclosed**

## **~ Foreign Check Processing**

*Checks received from a foreign bank account are an added expense to process and a fee of \$25 will be charged to the owner's account when such checks are received as payment to the HOA or management.*

***A copy of the full reserve study is available upon request.***

# ANNUAL POLICY STATEMENT

In an effort to clarify requirements relating to policy disclosures, Civil Code section 5310 consolidates the various requirements. The Annual Policy Statement is a disclosure of the following:

## **~Association's Designated Recipient to receive official communication -**

*Civil Code §§ 5310(a)(1), 4035*

*Board of Directors*

*c/o Personalized Property Management*

*Attn: Patricia Moeller*

*68950 Adelina Road*

*Cathedral City, CA 92234*

## **~ Right of Notice to Two addresses**

*As provided in Civil Code §4040(b) Upon receipt of a request by a member, in writing, identifying a secondary address for delivery of notices of the specified types, the association shall deliver an additional copy of those notices to the secondary address identified in the request*

## **~ General Notice Location** –Pursuant to Civil Code §§ 5310(a)(3), 4045(a)(3):

The location designated for posting of the General Notice is the bulletin board outside the onsite office and the association's website: **[www.pdcca.com](http://www.pdcca.com)**

## **~ Right to Receive General Notice by Individual Delivery**

*As provided in Civil Code § 4045(b) documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code § 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.*

## **~ Right to Receive Board Minutes**

*Upon written request to the Associations managing agent and reimbursement of the association's costs for making that distribution. In accordance with Civil Code § 4950(b) the minutes or summary of minutes of the Board meeting, other than an executive session are available to members within 30 days of the meeting.*

## **~ Assessment Collection Policy – Enclosed**

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**~ Charges for Documents Civil Code 4530 & 4525 – Enclosed**

**~ Overnight Payment Mailing Address – Civil Code §§ 5310(a)(11), 5655**

*Personalized Property Management  
68950 Adelina Road  
Cathedral City, CA 92234*

The Board of Directors is obligated to uphold and enforce the CC&R's which in turn requires the Board to maintain, preserve and enhance the value and lifestyle of the Association and its property for the benefit of all Owners.

***PLEASE REVIEW ALL OF THE ENCLOSED DOCUMENTS CAREFULLY.***

Sincerely,

***Palm Desert Country Club Association***

***BOARD OF DIRECTORS***

Enclosures

# Personalized Property Management

Personalized Property Management is pleased to continue to serve your Board of Directors and the homeowners of your association by providing the management services for your wonderful community. Our entire staff is dedicated to providing the attention necessary to enhance your enjoyment of the community and to ensure that homeowner concerns are promptly addressed. Together, with your Board of Directors, we attempt to make your experience the best it can be!

Whenever you may have a question, concern, or would like clarification on something related to the association please contact our office as soon as possible. Below we have included a list of emails and contact information to ensure your issue is handled as fast as possible. You may always email the main inbox with your inquiry as well as call the main number in which we can help connect you with the most appropriate person to address your concerns.

**Main Office – 760-325-9500 General Email Inbox – [MyHOA@PPMinternet.com](mailto:MyHOA@PPMinternet.com)**

**Physical Address – 68-950 Adelina Rd. Cathedral City, Ca 92234**

**Office Hours – 8 AM to 12 PM; 1 PM to 4 PM.**

**\*\*Please note we are closed for lunch from 12 PM to 1 PM\*\***

**For Fastest Response Handling Please Directly Email:**

Accounting, billing, payments, assessments, collections and other such questions –

[Accounting@PPMinternet.com](mailto:Accounting@PPMinternet.com), or submitting a request through the portal or app

**All Other Inquiries – Your Community Manager – Patricia Moeller**

Patricia Moeller is a community manager with over 18 years of experience in the community management industry. Patricia interacts with and takes direction from your Board of Directors on community matters and is the primary contact on matters concerning your association.



PALM DESERT COUNTRY CLUB ASSOCIATION  
2025 APPROVED BUDGET

	<u>2024 BUDGET</u>	<u>2025 APPROVED BUDGET</u>
<b>INCOME</b>		
4110 - ASSESSMENT MEMB	419,492.00	419,492.00
4125 - COLLECTION REIMB	1,500.00	11,400.00
4130 - INTEREST INCOME	500.00	1,600.00
4140 - LATE ASSESSMENT	5,000.00	8,000.00
4141 - ADMIN. FEE L/C	1,000.00	2,000.00
4142 - BANK CHARGES	100.00	175.00
4171 - RENTAL / MOURS	2,600.00	2,600.00
4172 - RENTAL / WOOLFE	2,600.00	2,600.00
4175 - RENTAL INC/OTHER	500.00	500.00
4176 - RENTAL/GRAHAM/AA	7,051.00	7,051.00
4177 - RENAL/JAZZERCISE	11,340.00	11,340.00
4178 - RENTAL/SHEILA	39,960.00	39,960.00
4179 - RENTAL/CROWN CST	34,560.00	36,671.00
4182 - AMH BALLROOM DAN	2,520.00	2,520.00
4185 - AMH RENTAL FEES	160.00	600.00
4186 - TAI CHI CLASS	1,080.00	0.00
4190 - GATE CARDS/KEYS	800.00	800.00
4135 - ASSESSMENT VIOLA	0.00	0.00
4195 - MISC INCOME	<u>0.00</u>	<u>0.00</u>
	<b>\$530,763.00</b>	<b>\$547,309.00</b>
5010 - LESS RESV TRNFRS	-70,000.00	82,000.00
<b>TOTAL INCOME</b>	<b>\$460,763.00</b>	<b>\$465,309.00</b>
5020 - ELECTRICITY	40,000.00	35,000.00
5030 - GAS	15,000.00	21,000.00
5040 - TELEPHONE	5,500.00	2,000.00
5050 - WATER	5,300.00	4,500.00
5070 - WASTE DISPOSAL	<u>1,500.00</u>	<u>1,800.00</u>
	<b>\$67,300.00</b>	<b>\$64,300.00</b>
5110 - LANDSCAPE CONT	15,840.00	15,840.00
5120 - LANDSCAPE EXTRAS	2,000.00	100.00
5130 - IRRIGATION REPAIRS	500.00	500.00
5140 - TREE TRIMMING	0.00	2,000.00
5160 - SEED/FERTIL/SCLP	4,261.00	100.00
5170 - NEW PLANTS	<u>150.00</u>	<u>175.00</u>
	<b>\$22,751.00</b>	<b>\$18,715.00</b>
5210 - CONTRACT POOLS	21,000.00	21,000.00
5220 - POOL EQUIP REPR	3,000.00	3,000.00
5225 - POOL/SPA SUPPLY	<u>500.00</u>	<u>500.00</u>
	<b>\$24,500.00</b>	<b>\$24,500.00</b>
5315 - BLDG&EQUIP MAINT	10,000.00	10,000.00
5320 - RECURRING MAINT	2,000.00	1,000.00
5327 - BUILD INTER REP	1,000.00	1,000.00
5335 - PLUMBING/SEPTIC	1,000.00	1,000.00
5341 - COMMON AREA EXP	2,000.00	4,500.00
5350 - JANITORIAL CNTRT	20,100.00	20,100.00
5351 - JANITORIAL SUP.	1,500.00	1,500.00
5365 - ELECTRICAL REP	500.00	500.00
5370 - PEST CONTROL	1,800.00	1,800.00
5390 - ALARM MONITORING	1,728.00	2,160.00
5391 - SEC/POOL MONITOR	10,000.00	9,195.00
5392 - SECURITY PATROL	6,000.00	13,140.00
5395 - EVENT EXTRAS	510.00	0.00
5399 - GATE/CARD/CK/KEY	<u>1,200.00</u>	<u>1,300.00</u>
	<b>\$59,338.00</b>	<b>\$67,195.00</b>

PALM DESERT COUNTRY CLUB ASSOCIATION  
2025 APPROVED BUDGET

5401 - OFFICE SHRED IT	888.00	888.00
5402 - SOFTWARE	0.00	0.00
5403 - BUIS MACH LEASE	4,800.00	4,600.00
5404 - BUIS MACH REPAIR	1,800.00	900.00
5406 - WEBSITE	2,520.00	3,252.00
5407 - MEMB DUES & SUSB	310.00	310.00
5408 - License & Fees Permits	1,300.00	1,300.00
5409 - NEIGHBORHOOD WTC	0.00	0.00
5465 - RESERVE STUDY	1,200.00	1,500.00
5468 - PROFESSIONAL FEE	3,250.00	3,250.00
5470 - TAX PREP/AUDIT	2,500.00	4,000.00
5480 - TAXES EXPENSES_STATE	9,000.00	5,000.00
5490 - TAXES EXPENSES_FEDERA	10,000.00	14,000.00
5505 - LEGAL	10,500.00	10,500.00
5510 - COLLECTION FEE	3,000.00	3,000.00
5520 - INSURANCE	20,000.00	23,490.00
5526 - EDUCATION	600.00	600.00
5527 - GOLF CART	1,000.00	1,000.00
5528 - BOARD EXPENSE	500.00	500.00
5529 - STAFF BOARD MEET	0.00	0.00
5531 - MGMT OFFICE - PAYROLL	139,070.00	138,515.00
5533 - MGMT FEE - ACCTING	47,430.00	50,430.00
5540 - PRINTING/POSTAGE	7,476.00	4,500.00
5546 - NEWSLTR POSTAGE	0.00	0.00
5547 - NWSLETER PRINTIN	0.00	0.00
5548 - SUPPLIES /OFFICE	1,500.00	3,000.00
5549 - ASSOC. SOCIALS	2,000.00	2,500.00
5550 - MISCELLANEOUS	2,730.00	2,064.00
5552 - ELECTION EXPENSE	2,000.00	0.00
5553 - OFFICE EXP OTHER	2,000.00	2,000.00
5559 - CIVIL CODE 4041	<u>9,500.00</u>	<u>9,500.00</u>
<b>TOTAL ADMINISTRATION</b>	<b>\$286,874.00</b>	<b>\$290,599.00</b>
TOTAL DISBURSEMENTS	\$460,763.00	\$465,309.00
EXCESS RECEIPTS	\$0.00	\$0.00
TOTAL NUMBER OF UNITS: 1054		

# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending December 31, 2025

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

(1) The regular assessment per ownership interest is **\$398.00** annually, of which approximately **\$6.48** is allocated to reserves, monthly.

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

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

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

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

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

Yes   X      No   X  

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

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

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

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

Approximate date assessment(s) will be due (see <b>Funding Plan</b> column, next page):	Amount per ownership interest per month:
<b>4.86% starting in 2026 for 29 years</b>	<b>(Current amount) X (the increases)</b>

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

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$1,033,380.16**, as of **December 31, 2025**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$465,218.71**, resulting in reserves being **45.02%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$0**. (See explanation below).

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



# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending December 31, 2025

(continued)

7) **See below: 30-Year Reserve Funding Plan Table...** Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is *\$(see "100% Funded" column below)*, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is *\$(see "Cash Flow" column below)*, leaving the reserve at *(see "Percent Funded" column below)* percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be *\$(see "Cash Flow" column below)*, leaving the reserve at *(see "Percent Funded" column below)* percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **1.00%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

**30-Year Reserve Funding Plan Table**

Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2024	\$921,388	\$379,000	41.13%				
2025	\$1,033,380	\$465,219	45.02%	\$86,219	\$6.48	0.00%	\$0
2026	\$664,394	\$79,071	11.90%	\$86,540	\$6.80	4.86%	\$472,688
2027	\$672,851	\$71,523	10.63%	\$90,474	\$7.13	4.86%	\$98,022
2028	\$728,990	\$112,155	15.38%	\$95,213	\$7.48	4.86%	\$54,582
2029	\$783,312	\$151,671	19.36%	\$100,181	\$7.84	4.86%	\$60,665
2030	\$761,928	\$117,829	15.46%	\$104,671	\$8.22	4.86%	\$138,513
2031	\$754,610	\$100,265	13.29%	\$109,519	\$8.62	4.86%	\$127,083
2032	\$815,718	\$152,176	18.66%	\$115,280	\$9.04	4.86%	\$63,369
2033	\$796,178	\$126,291	15.86%	\$120,585	\$9.48	4.86%	\$146,470
2034	\$821,634	\$147,539	17.96%	\$126,576	\$9.94	4.86%	\$105,328
2035	\$935,800	\$258,110	27.58%	\$133,720	\$10.42	4.86%	\$23,149
2036	\$957,736	\$279,132	29.15%	\$140,342	\$10.93	4.86%	\$119,319
2037	\$1,020,698	\$343,253	33.63%	\$147,648	\$11.46	4.86%	\$83,528
2038	\$1,079,368	\$405,500	37.57%	\$155,279	\$12.01	4.86%	\$93,032
2039	\$1,194,732	\$526,001	44.03%	\$163,806	\$12.60	4.86%	\$43,305
2040	\$1,315,373	\$653,523	49.68%	\$172,781	\$13.21	4.86%	\$45,259
2041	\$1,247,265	\$598,060	47.95%	\$180,389	\$13.85	4.86%	\$235,852
2042	\$1,181,926	\$551,336	46.65%	\$188,397	\$14.53	4.86%	\$235,122
2043	\$1,107,603	\$502,131	45.33%	\$196,797	\$15.23	4.86%	\$246,002
2044	\$1,219,793	\$642,627	52.68%	\$207,436	\$15.97	4.86%	\$66,940
2045	\$1,381,735	\$835,524	60.47%	\$219,107	\$16.75	4.86%	\$26,211
2046	\$1,354,418	\$845,946	62.46%	\$229,536	\$17.56	4.86%	\$219,113
2047	\$1,416,797	\$951,435	67.15%	\$241,292	\$18.42	4.86%	\$135,804
2048	\$1,468,188	\$1,052,002	71.65%	\$253,564	\$19.31	4.86%	\$152,996
2049	\$1,620,626	\$1,258,152	77.63%	\$267,388	\$20.25	4.86%	\$61,238
2050	\$1,670,633	\$1,368,953	81.94%	\$280,921	\$21.23	4.86%	\$170,119
2051	\$1,770,942	\$1,536,628	86.77%	\$295,558	\$22.27	4.86%	\$127,883
2052	\$1,997,595	\$1,835,289	91.87%	\$312,100	\$23.35	4.86%	\$13,439
2053	\$2,108,763	\$2,025,999	96.08%	\$328,329	\$24.48	4.86%	\$137,619
2054	\$2,141,701	\$2,148,123	100.30%	\$344,554	\$25.67	4.86%	\$222,430
<b>30-Year Sum:</b>				<b>\$5,494,202</b>			<b>\$3,725,079</b>



## Summary

In accordance with our proposal, 2007-063, SCT Reserve Consultants, Inc. is pleased to provide this *Level III Reserve Study Financial Update Report* for **PALM DESERT COUNTRY CLUB ASSOCIATION**. Our study was performed in accordance with the Davis-Stirling Common Interest Development Act, specifically §5550, of the California Civil Code. This report included a site inspection on June 7, 2023 for the 2024 budget year. This *planned (single-family detached home)* common interest development (CID) is located at 77-800 California Drive, Palm Desert, California 92211. We are using an inception date for the components of January 1, 1962. *This study is for January 1, 2025 through December 31, 2025, the Association's fiscal year.*

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

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

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

The following study has been prepared with several assumed factors taken into account: 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

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

**The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$514.60.** This is calculated by subtracting the ending balance (\$379,000) from the 100% funded figure (\$921,387.94), then divided by the number of ownership interests (1054). There is currently no requirement to be fully funded.



## Summary (continued)

As of January 1, 2025, the estimated reserve fund balance is \$379,000 and the estimated current replacement cost is \$1,403,496 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$1,985,209, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for PALM DESERT COUNTRY CLUB ASSOCIATION is 27.00%*.

The Association's level of funding for the fiscal year (January 1, 2025 through December 31, 2025) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **45.02%**, *and is referred to as Percent Funded*. The Association would be 100.00% funded if there were \$1,033,380.16 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. *It is our understanding the Board of Directors will allocate a monthly amount of \$6,833.34 starting in 2025 (\$6.48 per unit per month for each of the 1054 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 4.86% starting in 2026 for 29 years.* The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

Sincerely,



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

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



**Palm Desert Country Club Association**

77-800 California Drive  
Palm Desert, CA 92211-8008  
Tel: (760) 345-2331  
Fax: (760) 345-7413

## Individual Liability Policies and Loss Assessment Coverage

**CIVIL CODE SECTION 5300(B)(9)**

# **HOMEOWNER'S INSURANCE INFORMATION**

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from liability caused by an accident occurring in your own unit, the common area, and/or any exclusive use common area (such as patios, garages, carports), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We also recommended that you inquire about Loss Assessment and Earthquake Loss Assessment Coverage. The cost of an endorsement for loss assessment is minimal and provides protection to individual unit owners from any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association, allocated to the owners through a special assessment (such as special assessments to pay or rebuilding costs which exceed insurance proceeds from an earthquake or fire loss)

The Association will notify you as soon as reasonably practical if any of the Association's policies are cancelled and not immediately replaced or if there is a significant change in the coverage (reduction or the deductible). If a policy is issued to replace a policy and there is no lapse in coverage, the Association will notify you in its next annual mailing to members.

The attached 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, 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.

State law requires that community associations disclose to the individual homeowners the extent of liability coverage carried by the Association.

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/14/2024

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 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).

<b>PRODUCER</b> Chris DiNino - License #0E41640 2100 Palomar Airport Road, Suite 214 Carlsbad, CA 92011 760 746 3200	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 760-746-3200		FAX (A/C, No): 760-746-1707
	E-MAIL ADDRESS: certs@dininoinurance.com PRODUCER CUSTOMER ID #:		
<b>INSURED</b> Palm Desert Country Club Association 77800 California Dr. Palm Desert, CA 92211-8008	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	INSURER A : Mid-Century Insurance Company		
	INSURER B : Greenwich Insurance Company		
	INSURER C :		
	INSURER D :		
	INSURER E :		

**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 SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Separation of Insureds <input checked="" type="checkbox"/> Building Ordinance/Law GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			60720 93 39	06/14/2024	06/14/2025	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 75,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 1,000,000
							D & O Limit	\$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			60720 93 39	06/14/2024	06/14/2025	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0			TBD	06/14/2024	06/14/2025	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
								\$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below			A09510323	06/14/2024	06/14/2025	WC STATUTORY LIMITS	OTHER
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Common Area Property coverage 100% RCT; 150% Ext RCT			60720 93 39	06/14/2024	06/14/2025	ERC \$3,358,500 (\$2,500 Deductible)	PUD

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

A - EMPLOYEE DISHONESTY(FIDELITY) - \$1,000,000 (Management Company is additional Insured)  
 Mechanical Breakdown, Inflation Guard and Wind & Hall coverage included for common area property  
 1054 Units

**CERTIFICATE HOLDER****CANCELLATION**

Palm Desert Country Club Association 77800 California Dr. Palm Desert, CA 92211-8008	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  Chris DiNino
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**PALM CITY ASSOCIATION DBA PALM DESERT COUNTRY CLUB ASSOCIATION**

**SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND  
OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS**

**Updated June 22, 2022**

1. **Regular and Special Assessments-** Regular Assessments shall be paid annually on the first (1<sup>st</sup>) day of January. Any regular assessment not paid by the thirty-first (31st) of January shall be delinquent. 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. **Late Charges-** All assessments shall be delinquent if not paid within **thirty (30) days** after they become due and will result in the imposition of a late charge of ten (10%) of the delinquent assessment or ten (\$10.00), whichever is greater. Furthermore, the Association shall be entitled to recover any reasonable collections costs, including attorneys' fees, that the Association then incurs in its efforts to collect the delinquent sums.
3. **Interest-** Interest at the annual rate of (12%) may be charged on all sums due that are thirty (30) or more days delinquent.
4. **Additional Charges, Costs and Attorneys Fees-** Pursuant to *Civil Code* § 5650(b) the Association is entitled to recover reasonable collection costs, including reasonable attorney's fees, incurred in connection with collection of delinquent assessments. Costs may include, but are not limited to, publication, recording, posting, service and mailing.
5. **Application of Payments on Delinquent Assessments-** Payments received on delinquent assessment accounts will be applied first to the regular or special assessments owed, and then applied to interest, late charges, collection costs, administration fees, attorney's fees, reimbursement assessments, and any other amount due to the Association in connection with collection of delinquent assessments.
6. **Pay or Lien Letter-** Any Owner who is more than thirty (30) days delinquent in the payment of his or her assessments may be referred to the Association's management company or the Association's attorney for collection and will receive a pay-or-lien demand letter, via certified mail. The letter will be sent at least thirty (30) days prior to a Notice of Delinquent Assessment Lien ("Lien") being recorded against the delinquent Owner's property, and will notify the Owner of record in writing of the following pursuant to *Civil Code* § 5660(a)-(f):

A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount

- (a) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorney's fees, late charges and interest charges, if any;
- (c) The Owner's right to inspect the Association's records to verify the debt;
- (d) The Owner's right to request a meeting with the Board of Directors, as set forth below;
- (e) That the Owner will not be liable for late charges, interest and costs of collection if it is determined that the assessment was paid on time to the association.

- (f) The Owner's right to dispute the debt by submitting a written request for dispute resolution to the Association pursuant to its meet and confer program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* § 5910;
- (g) The Owner's right to request Alternative Dispute Resolution (ADR) with a neutral third party pursuant to *Civil Code* § 5935 before the association may initiate foreclosure against the Owner;

7. **Owner's Dispute of Debt/Request For Meeting With Board Prior to Lien/Commencement of Small Claims Lawsuit-** Pursuant to *Civil Code* § 5660 (a)-(f) and *Civil Code* § 5658, the Owner has the following rights:

- (a) Meet and Confer. Prior to recording a lien, the Association shall offer and, if so requested by the Owner, to participate in dispute resolution pursuant to the Association's meet and confer program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* § 5910;
- (b) Request to Meet With Board to Discuss Payment Plan. The Owner may submit a written request to meet with the Board to discuss a payment plan for the debt owed. The Association will provide any standards it has adopted regarding payment plans to Owners. The Board will meet with the Owner in executive session in conjunction with a regularly scheduled Board meeting, within 45 days of the postmark of the request, if such was mailed no later than 15 days after the postmark of the pay or lien letter. If there is no regularly scheduled Board meeting within that period, the Board may designate a committee of one or more members to meet with the Owner.
- (c) Payment Under Protest and Commencement of Small Claims Action. In addition to pursuing dispute resolution pursuant to *Civil Code* § 5910, pursuant to *Civil Code* § 5658, the Owner may pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, and may thereafter commence an action in Small Claims Court provided the amount in dispute does not exceed the jurisdictional limits of that Court.

8. **Lien/Notice of Delinquent Assessment-** If the delinquent Owner does not bring their account current within thirty (30) days of the pay-or-lien demand Letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien will be recorded against the Owner's property upon a majority of the Board voting to approve recording the Lien in an open meeting. The Board shall record the vote in the minutes of that meeting. Confidentiality shall be maintained by identifying the property by parcel number in those minutes. The President or other person designated by the Association, including the Association's managing agent or the Association's legal counsel, shall sign the Lien. The Lien shall include an itemized statement of the charges included in the amount of the Lien including the delinquent assessments and all other sum owed, such as late charges, costs and reasonable attorneys fees, a legal description of the property, the name of the record Owner, and the name and address of the trustee authorized to enforce the Lien by sale. A copy of the itemized statement of charges shall be recorded with the Lien.

A copy of such Lien will be mailed to the every person whose name is shown as an Owner of the separate interest in the Association's records within 10 days of the date the Lien is recorded. Upon receipt of a written request by an Owner (mailed in a manner indicating the Association has received the same such as by certified mail) identifying a secondary address to which the Owner wishes

collection notices to be sent, the Association shall also send additional copies of any required collection notices to such secondary address. The Lien is subject to non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable collection costs incurred in connection with preparing and recording the Lien may be included in the amount of the Lien.

9. **Dispute of Charges after Lien-** Prior to initiating foreclosure for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, shall participate in the Association's "meet and confer" program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* §5910, or Alternative Dispute Resolution (ADR) with a neutral third party pursuant to *Civil Code* § 5935. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner (binding arbitration not available if the Association pursues judicial foreclosure.)

10. **Foreclosure-** If the delinquent Owner does not bring their account current after the Lien has been recorded, and after the foregoing offers of dispute resolution have been presented, a majority of the Board may vote to initiate foreclosure on the Lien in an executive session meeting of the Board. The Board may only authorize foreclosure on a Lien for those regular or special assessments which are of an amount equal to or exceeding one thousand eight hundred dollars (\$1,800) exclusive of late charges, fees, costs of collection, attorney's fees and interest, or which are more than twelve (12) months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. Confidentiality shall be maintained by identifying the property by parcel number in those minutes.

The Board shall also vote to approve foreclosure on a Lien which vote shall occur at least thirty (30) days prior to any public sale of the Owner's separate interest property. The Board shall deliver notice of the decision to foreclose by personal service on the Owner or the Owner's legal representative, and by first class mail, postage pre-paid to non-occupant Owners at the most current address shown on the association's books. These limits do not apply to timeshares or assessments owed by developers.

Non-judicial foreclosure will then be commenced by the Association's law firm pursuant to the CC&Rs, and *Civil Code* §§ 5700(a), 5710(a), 5735, and 5710(c)(1)-(2) and 2924, *et seq.* as follows:

- (a) **"Initiate Foreclosure"-Notice of Default and Election to Sell ("NOD").** A Notice of Default and Election to Sell (NOD) will be recorded with the County Recorder's Office which puts the property into foreclosure. The Association cannot continue with the non-judicial foreclosure on the property for ninety (90) days from the date the NOD is recorded. The delinquent Owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges and interest.
- (b) **"Approve Foreclosure"- Notice of Sale (NOS).** If the delinquency is not cured within ninety (90) days of the NOD being recorded, and upon receipt of approval and authorization of the action by the Board pursuant to a vote, the attorney will proceed by recording, publishing and posting a NOS. The delinquent Owner is responsible for all fees and costs incurred to prepare record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

11. **Payments after Lien-** Owners shall not send any assessment payments to the Association once the matter has been turned over to the Attorney for collection; such payments shall only be accepted by the law firm. Any payments delivered to the collection agent shall be forwarded to the attorney's office; the attorney shall then release the lien if payment in full was made by the delinquent Owner. A charge for attorneys' fees shall be charged to the Owner at this stage (pursuant to *Civil Code* §5650(a)).
12. **Partial Payments-** Owners may make partial payments without a written payment plan; provided, however, that any such partial payment shall:
  - a. not stop any collection action;
  - b. not invalidate any assessment lien already filed;
  - c. not stop an already existing non-judicial foreclosure action;
  - d. not obviate the obligation to pay all collection fees and costs inclusive of late charges, interest, management fees/bookkeeping fees, title charges, lien fees and costs, trustee's fees and / or attorney's fees; and
  - e. further require (due to the additional bookkeeping and other administrative expenses incurred with a partial payment) that any Owner who submits a partial payment (without an approved payment plan) will incur an administrative expense for each partial payment tendered and received by, or on behalf of, the Association.
13. **Redemption-**An Owner may redeem the property foreclosed upon by the Association by paying all amounts due and owing within ninety (90) days of the date of the foreclosure sale.
14. **Lawsuit-**The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorneys fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Owner.
15. **Release of Liens Upon Payment-** Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a Lien previously recorded was recorded in error, the attorney will prepare a Release of Lien which will be recorded by the County Recorder's Office, and will provide Owner with a copy of such release or notice that the delinquent assessment has been satisfied.
16. **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 or delivered to the following address:

Palm City Association  
DBA Palm Desert Country Club Association  
c/o Personalized Property Management  
Attn: Collections Dept  
68-950 Adelina Rd.  
Cathedral City, CA 92234  
(760) 325-9500



**Palm Desert Country Club Association**

77-800 California Drive  
Palm Desert, CA 92211-8008  
Tel: (760) 345-2331  
Fax: (760) 345-7413

# **Extract from California Civil Code Section 5730**

## **Notice Regarding Assessments and Foreclosure**

### **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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial 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 non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) Chapter 8 of Part 5 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

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Code)

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

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

### **PAYMENTS**

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

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

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

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

### **MEETINGS AND PAYMENT PLANS**

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

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



**Palm Desert Country Club Association**

77-800 California Drive  
Palm Desert, CA 92211-8008  
Tel: (760) 345-2331  
Fax: (760) 345-7413

# **INTERNAL DISPUTE RESOLUTION PROCESS**

## **(Meet and Confer Program)**

(the "Association") adopts the Internal Dispute Resolution Process ("IDR") contained within *Civil Code* §5915 (deemed within the statute to be fair, reasonable, and expeditious) of disputes as follows:

- (1) A 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 the Association may refuse a request to meet and confer. The Association shall not refuse a request to meet and confer.
- (3) The Board of Directors shall designate a Director to meet and confer.
- (4) The Parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The meeting must take place within 35 days after the requesting Party makes the request, unless there is good cause for a longer time period.
- (5) The Parties may be assisted by an attorney or another person at their own cost when conferring. If a Party intends to bring an attorney or another person to assist them, they must give notice to the other Party at least five (5) days before the scheduled meeting.
- (6) 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.
- (7) 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:
  - (a) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board.
  - (b) The agreement cannot be not in conflict with law or the governing documents of the common interest development or Association.
- (8) If meeting does not resolve through an agreement, the Member shall have a right of appeal to the Board.
- (9) A Member shall not be charged a fee to participate in the process.

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# **ALTERNATIVE DISPUTE RESOLUTION ("ADR")**

The following Civil Code Sections are controlling on the Association and Members related to ADR:

## **§5925. ADR Definitions.**

(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 Prerequisite to Litigation.**

(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. 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 to Complete ADR Process.**

- (a) If the Party on whom a Request for Resolution is served accepts the request, the Parties shall complete the alternative dispute resolution within 90 days after the Party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both Parties.
- (b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.
- (c) The costs of the alternative dispute resolution shall be borne by the Parties.

#### **§5945. Tolling of Statute of Limitations.**

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

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the Parties pursuant to Section 5940.

#### **§5950. Certification of ADR Efforts.**

(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. Stay of Litigation for Dispute Resolution.**

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

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

**§5960. Attorney's Fees.**

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

**§5965. Annual ADR Notice.**

(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.



**Palm Desert Country Club Association**

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Palm Desert, CA 92211-8008  
Tel: (760) 345-2331  
Fax: (760) 345-7413

# **FEDERAL HOUSING ADMINISTRATION (FHA)**

Civil Code: 5300(b)(10)-(11)

As of the date of this mailing the FHA status of the Association is as follows:

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

This common interest development is a PUD (Planned Unit Development project. The association of this common interest development is not certified by the Federal Housing Administration.

Please refer to the FHA Website for current information: <http://portal.hud.gov>

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# **DEPARTMENT OF VETERANS AFFAIRS (VA)**

Civil Code: 5300(b)(10)-(11)

As of the date of this mailing the VA status of the Association is as follows:

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

This common interest development is a PUD "Planned Unit Development". The association of this common interest development is not certified by the federal Department of Veterans Affairs.

Please refer to the VA website for current information: <http://www.va.gov>

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## Enforcement Procedure

This document is the Palm Desert Country Club Association (hereafter referred to "Association") enforcement process and takes the place and supersedes any other fines and/or enforcement process in the prior Rules and Regulations ("Restated Enforcement Procedure"). The entities engaged in enforcing the Association's First Restated Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), Restated Bylaws ("Bylaws"), Articles of Incorporation ("Articles"), Rules and Regulations ("Rules") and Architectural Guidelines, if any, ("Guidelines") (collectively, "Governing Documents") are:

**Board of Directors** — The Board of Directors is charged with overseeing the enforcement of the Association's Governing Documents. It has the authority to do the following: conduct violation hearings, impose Special Individual Assessments and Special Reimbursement Assessments, including, but not limited to, fines, cause violations to be remedied, suspend common area privileges, use of the recreational facilities and/or any other privilege of any Member or Person deriving rights from any Member ("Membership Privileges"), and promulgate Rules and Guidelines.

**Architectural Committee** — The Architectural Committee is charged primarily with reviewing proposed architectural and landscape modifications and making a recommendation to the Board regarding same. The Architectural Committee may also recommend Board action for potential architectural and landscape violations. In the absence of an Architectural Committee, the Board shall serve in such capacity. This Restated Enforcement Procedure controls and supersedes the any other enforcement process and fine schedule contained in the Association's Rules.

For the purposes of this Restated Enforcement Procedure, the following definitions shall apply:

- The term **Special Individual Assessment** shall mean any monetary fine imposed for violations of the Association's Governing Documents and may include the recovery of costs incurred including but not limited to attorney's fees.
- The term **Special Reimbursement Assessment** shall mean a reimbursement assessment imposed for damage to common area and may include the recovery of costs incurred including but not limited to attorney's fees.
- The term **Violation** shall mean and include any failure to follow and/or observe the Association's Governing Documents.
- The term **Recurring Violation** shall mean any violation of the Association's Governing Documents which has a definite commencement and cessation, but has occurred more than once. Examples of recurring violations are:
  - (1) violation of leash rules regarding pets on more than one occasion; and
  - (2) violation of parking rules on more than one occasion.
- The term **Continuous Violation** shall mean any violation of the Association's Governing Documents which is ongoing and has not ceased for a period of time. Examples of continuous violations are:
  - (1) a poorly maintained Lot; and
  - (2) retaining an improvement at the Owner's Lot in violation of the Association's Governing Documents.
- Upon the Owner's curing the violation, the Association may, but is not obligated to, waive any portion or all of the Special Individual Assessment) imposed for a continuous violation.

The Restated Enforcement Procedure related to any disciplinary action shall be as indicated below.

### **Step 1. Initiation**

- If a **Violation Report** is completed by a homeowner, a Board member, the Association's Manager, Architectural Committee member, or another designated representative of the Association, the **Violation Report** will be verified as set forth in Step 2.

### **Step 2. Verification**

- Verification of a Violation Report for non-architectural violations is accomplished by a review of the Association's Governing Documents and/or inspection by the Association's Manager, Board of Directors, Architectural Committee or other designated Association representative. Verification of a Violation Report for architectural violations is accomplished by a review of the Association's Governing Documents and/or a recommendation by the Architectural Committee. Violation shall be defined as an act in direct conflict with the Association's Governing Documents, and/or local, county or state requirements.

### **Step 3. Documentation**

#### **A. Non-Architectural Violations**

1. The Association has the following three options for enforcing non-architectural violations:
  - A **Warning Notice** is completed by the Association's Manager or his/her designated representative and forwarded to the violating homeowner (hereinafter Violator). At the discretion of the Board or Association's Manager, this step may be skipped if, based on the seriousness of the violation, more immediate action is warranted; or
  - If the violation persists after the **Warning Notice** has been issued or if the Board or Association's Manager determines to proceed directly to a **Violation Notice**, said **Violation Notice** is sent to the Violator, stating a deadline by which to cure the violation; or
  - If the violation warrants immediate action, an **Expedited Hearing Notice** is sent to the Violator, stating a date, time and place where the Violator may be heard before the Board of Directors.
2. If a **Violation Notice** is sent and the Violator fails to take the necessary action by the deadline given, a **Hearing Notice** will be sent to the Violator, setting forth the date, place and time upon which the Violator may be heard before the Board of Directors.
3. Failure to appear at any hearing could result in immediate discipline including, but not limited to, imposition of a **Special Individual Assessment / Special Reimbursement Assessment**, and/or suspension of Membership Privileges. Association must give at least ten (10) days' written notice of the hearing to the Violator before any action is taken, pursuant to the Association's Governing Documents.

#### **B. Architectural Violations**

1. Examples of architectural violations are:
  - Owner of the property has not submitted the requisite application, related documents and plans and/or the requisite fees to the Architectural Committee or the Association, if appropriate, or secured requisite written approval from the Association.

- Owner of the property has obtained prior approval but has not complied with the approved final plans and specifications of the proposed work.
  - Owner has failed to maintain his/her/its Lot or other areas which Owner is responsible to maintain.
2. The Association has the following three options for enforcing architectural violations:
    - A **Warning Notice** is completed and forwarded to the violating homeowner (hereinafter Violator). At the discretion of the Board of Directors or the Association's Manager, this step may be skipped, and the Association may proceed directly to a **Violation Notice** or an **Expedited Hearing Notice**; or
    - If the violation persists after the **Warning Notice** has been issued or if the Board of Directors or Association Manager determines to proceed directly to a **Violation Notice**, said **Violation Notice** is sent to the Violator, stating a deadline by which to cure the violation; or
  3. If the violation warrants immediate action, an **Expedited Hearing Notice** is sent to the Violator, stating a date, time and place where the Violator may be heard before the Board of Directors.
  4. If a **Violation Notice** is sent and the Violator fails to take the necessary action by the deadline given, a **Hearing Notice** will be sent to the violating homeowner, setting forth the date, time, and place where the Violator may be heard before the Board of Directors.
  5. Failure to: (1) appear at any hearing; and/or (2) comply with a written **Violation Notice** could result in immediate discipline including, but not limited to, imposition of a **Special Individual Assessment / Special Reimbursement Assessment** and/or suspension of Membership Privileges. Association must give at least ten (10) days written notice of the hearing to the Violator before any action is taken, pursuant to the Association's Governing Documents

#### **Step 4. Homeowner Hearing Procedure**

**A. Findings of Fact and Recommended Action:** The Board of Directors must make specific findings as it relates to the violation of the Governing Documents. **NOTE:** If no violation is found, then no remedy is required, and the Association would then issue a **Ruling Notice** pursuant to **Step 4. C** below.

**B. Remedies of the Board of Directors.** If it is determined a violation has taken place, the Board of Directors may take any or all the following actions:

1. **Special Individual Assessment / Special Reimbursement Assessment** — Even if the violation is not of a continuing nature and does not lend itself to a self- help remedy, the Board of Directors still has the authority to impose a Special Individual Assessment / Special Reimbursement Assessment for failure to comply with the provisions of the Governing Documents or to reimburse the Association for damage caused to the common area. The Board of Directors may only impose a Special Individual Assessment / Special Reimbursement Assessment after providing notice and hearing to a Violator, pursuant to the minimum requirements set forth herein. The following Special Individual Assessment / Special Reimbursement Assessment structure is based upon two (2) components: (1) a reasonable determination of the costs (i.e. attorneys' fees, property management fees, etc.) expended by the Association in performing its functions in enforcing the Governing Documents, and 2) the imposition of monetary fines for violation of said Governing Documents.

2. Right and Authority to suspend Membership Privileges for violations of the Governing Documents and/or for any period during which the Member is delinquent in the payment of any assessment, fine or monetary penalty, or as otherwise provided in the Governing Documents.
3. **Self-Help Remedy for Continuing Non-Architectural Violations** — If the violation of the Governing Documents continues and can be cured through a self-help remedy, the Board of Directors has the right to demand correction of the continuing violation and a date certain upon which a homeowner must comply (a reasonable period of time shall be given to the homeowner) *via* the Notice of Ruling. The Notice should further indicate that if the homeowner fails to comply within the time provided by the Association, the Association would bring the homeowner into compliance and charge the cost of same to the homeowner as a Special Individual Assessment.
4. **Self-Help Remedy for Continuing Architectural Violations** — If it is determined a violation has taken place, the Board of Directors shall make findings of fact and request corrective action (removal, replacement, repair and/or modification) by the Violator. If corrective action is not taken by the Member and the violation can be cured through a self-help remedy, the Ruling Notice shall further indicate that if the Member fails to comply within the time provided, the Association shall bring the Member into compliance and charge the cost of same to the Member as a Special Individual Assessment. **However, any demand letter which requires the Association to go onto a Members' property to rectify the violation should be reviewed and sent by Association's counsel.** *For example, if a homeowner's Lot is becoming an eyesore for lack of maintenance, the Association can provide written notice to the violating homeowner that he/she must provide the appropriate maintenance and that he/she is in violation of the Governing Documents. The Notice would further provide that the owner has a specific (and reasonable) period of time to correct the deficiency. If the owner fails to correct said deficiency within the specified time given by the Association, the Association could then proceed with the maintenance and charge the cost to the homeowner as a Special Individual Assessment.*
5. **Other Potential Remedies / Sanctions** — Notwithstanding anything set forth herein, the Board of Directors in its discretion shall have the power to require any other applicable remedy and/or sanction for as long as it deems necessary, provided, however, that said remedy / sanction is in accord with the Association's Governing Documents and law. If the violation is of such a serious nature that potential legal action is contemplated, the Association's corporate counsel should be consulted for determination whether Internal Dispute Resolution ("IDR") and/or Alternative Dispute Resolution ("ADR") should be offered to the Violator (as well as consideration of other potential remedies).

**C. Ruling Notice.** Regardless what remedy is chosen, even if no violation is found, the Association must mail to the Violator a **Ruling Notice** within fifteen (15) days after the date of the hearing. If it is ruled that a Special Individual Assessment / Special Reimbursement Assessment shall be imposed against the Violator, then the Association must give notice of the ruling to the Violator and request payment of such assessment within thirty (30) days after the **Ruling Notice** is mailed. This is to be recorded in the Executive Session minutes or regular minutes, whichever is applicable.

**D. Special Individual Assessment / Special Reimbursement Assessment Structure.** If any Member's failure to comply with the provisions of the Governing Documents results in the Association's expenditures of monies or incurs costs related to the action or non-



action of a Member, the Association may levy a **Special Individual Assessment / Special Reimbursement Assessment** against such Member. Additionally, the Association may levy fines as **Special Individual Assessments / Special Reimbursement Assessments** consistent with Table 1 below.

The amount of said Assessments may be amended from time to time by the Board of Directors. The present structure of the Association for **Special Individual Assessments / Special Reimbursement Assessments** for violations of the Governing Documents shall be as follows:

First Violation	Written Notice with 15 days to comply.
Second Violation/ Reoccurring Violation	2 <sup>nd</sup> notice of the same violation having not been corrected after 15 days following delivery of the First Notice - A <b>Hearing Notice</b> shall be sent not less than 10 days prior to the proposed hearing, indicating a possible <b>\$150 fine</b> with a <b>\$50 Special Individual Reimbursement Assessment</b>
Third Violation/Reoccurring Violation	Hearing Notice with possible \$20.00 per day additional fine failure to correct the violation by a specified date determined at the hearing.
Fourth and Continuous Violation	Continuing Offenses of the same rule violation having not been corrected as specified may be directed to an attorney for legal action; therefore, in addition to the \$20.00 per day for each day the violation exists after the effective disciplinary date as approved at the hearing, the Special Individual Reimbursement Assessment will be applied for costs incurred.

**E. Collection of Special Individual Assessments / Special Reimbursement Assessments.** Pursuant to the Association's collection policy and the CC&Rs, if a Special Individual Assessment was levied for failure to comply with the Governing Documents or as a Special Reimbursement Assessment imposed for costs incurred by the Association in repair of damage to the Common Area and is not paid within thirty (30) days after mailing the Ruling Notice, then the Association may suspend the Owner's Membership Privileges after notice and hearing as set forth in the Association's Collection Policy.

### Architectural Modifications

The Architectural Committee (ARC) and the Board have approved a small list of exterior architectural modifications that do not need prior written approval before work commences. All other exterior architectural modifications made without prior written approval from the Architectural is prohibited.

## Pre-Approved Architectural Modification List

The following items have been pre-approved by the Architectural Committee and the Board of Directors. These pre-approved items do not need prior written approval. A completed Architectural Request form must be submitted to the PDCCA office to be kept on file.

**Note: If it's not listed below you will need to submit a completed Architectural Request form and obtain prior written approval.**

**Paint** - Chosen colors are to be within the shades of the original paint. Any of the original colors of the home may be used to change a color such as on a garage door and/or gates. Paint may be of any sheen, such as semi-gloss or flat. Garage door and gate colors are to include white.

**Security Screen Doors** – Security doors or screen doors must be colored. May not be bare aluminum.

**Security Lights** - Residents may install security lights on their property. However, all security lights must have/be:

- (1) motion sensor and can only stay on for 3 minutes (or less) at any one time and/or
- (2) installed with a lighting shield so as to direct the beam away from adjacent properties.

**Window Tinting** - Mirrored type sheeting is not allowed on the front side of the home. Quality tint sheeting must be professionally installed.

**Satellite Dishes or Future Electronic Dishes/Receivers** – Only small satellite dishes, less than 24 inches in diameter, attached to the side or rear of the house are allowed.

**Landscaping** - Pre-approved landscaping includes change-over from grass to desert type landscaping, such as with gravel, stones, rocks, boulders, cactus, palm trees, desert type plants and various types of decomposed granite. Pre-approved changes include artificial grass. All rear yard landscape installation must be approved prior to installation.

**Tree Removal** - No approval needed for nuisance tree removal. Trees deemed to be a nuisance include those that are leaning or interfering with the home or adjacent property, root systems that may interfere with walls, foundation, underground utilities systems, sidewalks, walkways and patios.

**Like for Like Replacement** - Prior written approval is not necessary when replacing “like for like” materials i.e. replacing a 6 foot high wood fence with a 6 foot high wood fence. If the replacement is a 4 foot high wrought iron fence instead of a 6 foot high wood fence you will need prior written approval from the ARC.

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY  
CIVIL CODE §4530\* and § 4525\***

<b>yDocument Civil Code Section Included</b>	<b>Civil Code Section</b>	<b>Fee For Document</b>	<b>**Included</b>	<b>Not Available / <u>Not Applicable</u>/ Directly Provided by Seller &amp; confirmed in writing</b>
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	25.00	✓	
CC&Rs	Section 4525(a)(1)	60.00	✓	
Bylaws	Section 4525(a)(1)	30.00	✓	
Operating Rules / Architectural Guidelines	Section 4525(a)(1)	30.00	✓	
Age restrictions, if any	Section 4525(a)(2)			✓
Rental Restrictions, if any	Section 4525(a)(9)			<b>*Reference Governing Doc's</b>
Annual Budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	45.00	✓	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00 Included with Budget	✓	
Financial statement review	Sections 5305 and 4525 (a)(3)	35.00	✓	
Assessment enforcement policy (Collection Policy)	Sections 5310 and 4525(a)(4)	15.00 included with Budget	✓	
Insurance summary	Sections 5300 and 4525(a)(3)	0	✓	
<b>Regular assessment</b>	<b>Sections 4525(a)(4)</b>		✓	
Special assessment	Sections 4525(a)(4)			✓
Emergency assessment	Sections 4525(a)(4)			✓
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)			✓
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)			✓
Settlement notice regarding common area defects	Sections 4525a)(6), (7) and 6100			✓
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100			✓
Notice(s) of violation	Sections 5855 and 4525(a)(5)			✓
Required statement of fees (Demand)	Section 4525	180.00		
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested.	Section 4525(a)(10)	75.00		
<b>**Total fees for these documents</b> (also listed in the statement provided via Homewise)		<b><u>\$515.00</u></b>		
Demand 1 day Rush Fee		\$240		
Demand 3 day Rush Fee		\$165		
Demand 4 day Rush Fee		\$125		
Demand 5 day Rush Fee		\$115		

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