

RECREATION CENTERS OF SUN CITY WEST, INC.

POLICY STATEMENT Fi 9

Owner/Developer Facilities Investment Fees

Reference Articles 3A.1f, 3A.3c, and 3A.6 of the Amended and Restated Bylaws of the Recreation Centers of Sun City West, Inc., dated June 27, 2002.

1.0 General:

- 1.1 The Del Webb Corporation developed Sun City West and provided recreation facilities to support 17,620 residential living units. All original and subsequent purchasers of Del Webb-constructed homes are guaranteed membership in the Association and access to all of the Association's recreation facilities by signing an agreement, called a Facilities Agreement, which requires payment of annual membership fees to the Recreation Centers of Sun City West, Inc. (the Association). (Bylaws, Section 3A.3c)
- 1.2 Section 3A.1f of the Bylaws grants the Governing Board the right to determine whether to permit owner(s) or developer(s) of undeveloped, residential property within Sun City West to provide Association facilities access to their prospective residents

2.0 Purpose:

The purpose of this policy is to establish the requirement for Facilities Investment Fees and the requirement for an Owner/Developer Name Facilities Agreement between the Association and the owner/developer. It will also set forth the guidelines to follow when negotiating this agreement.

3.0 Policy:

Any owner/developer of undeveloped residential property in Sun City West who desires access to the Association facilities for their prospective residents must pay a Facilities Investment Fee to the Association for each residential unit built. The Association's Governing Board will determine the amount of this fee taking into account the characteristics and location of the residential property. This fee will be set out in the Owner/Developer Name Facilities Agreement negotiated between the Association and the owner/developer.

4.0 Guidelines:

If the owner/developer of a housing development wishes to receive Association approval for participation in the Recreation Centers' facilities, the following membership requirements must be met:

- 4.1 For single dwelling houses, condominiums, and apartments, the owner/developer must pay a Facilities Investment Fee per unit; the amount to be determined by the Governing Board.
- 4.2 For dwellings that provide assisted living, the per unit charge will be not less than ten percent (10%) of the Facilities Investment Fee. The owner/developer of the property will be responsible for the payment of the Facilities Investment Fees and the appropriate membership fees for not less than fifty percent (50%) of the total residential units. Each eligible resident therein may use the Association facilities by purchasing an annual tenant card. Tenant cards will be issued as set out in the [Owner/Developer Name] Facilities Agreement.
- 4.3 There will be no Facilities Investment Fee for skilled nursing units.

- 4.4. If the owner/developer changes the residential units from skilled nursing to assisted living or independent living, they will be responsible to comply with the schedule of fees applicable for the new level minus the fees previously paid. If an owner/developer changes the residential units from independent to assisted living or skilled nursing, there will be no refund on any previously paid facilities fees
- 4.5 All charges and fees will be submitted to the Association upon close of escrow or as otherwise agreed upon by the Association in the [Owner/Developer Name] Facilities Agreement.
- 4.6 The Facilities Investment Fee is subject to change and negotiation by the Association's Governing Board.

5.0 Disposition of Facilities Investment Fees:

All Facilities Investment Fees received by the Association shall be deposited in a Facilities and Equipment Reserve Fund.

** This policy supercedes policies Fi 9 – Facilities Investment Fees (not dated); Fi 12 – Facility Fees Allocation (April 27, 2000); and Fi 13 – Guideline Requirements to Participate in Sun City West Recreation Centers, by Future Housing Developments (June 28, 2001).

Approved: 10-28-04