



**2026-2027 EDGEWOOD HOMEOWNERS ASSOCIATION  
ANNUAL BUDGET REPORT**

**April 2026**

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending **May 31, 2027**. A copy of the budget, a summary of the reserve report and insurance summary are enclosed. A copy of the entire Reserve Study report is available upon written request from The Management Trust.

**2026-2027 Monthly Assessment: \$500**

**Reason for Increase: Insurance, administration, landscaping, & utilities**

The Association does not have any outstanding loans. 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 this year. The Board of Directors uses regular assessments to fund the reserves to repair or replace major components. In accordance with Civil Code §5300(b)(4) and as of the date of this letter, the Board may defer or not undertake replacement of any major component with a remaining life of 30 years or less.

Deferred in 2025-2026:

- Asphalt overlay on roadways
  - Reason: The useful life is extended to 2036-2039. The board of directors will have a seal coat performed in the next one to three years.
- Repair & replacement of a portion of unit and garage roofs
  - Reason: Roof inspections will be performed in 2026-2027 to determine the roofing priorities.
- Pool resurfacing & equipment replacement
  - Reason: The useful life for resurfacing is extended to 2032-2033. The pool equipment will be evaluated for replacement needs in 2026-2027.
- Clubhouse roof, HVAC, & flooring
  - Reason: The clubhouse roof will be inspected in 2026-2027 to determine the roofing priorities. The useful life for HVAC is extended to 2027-2028. The useful life for the flooring is extended to 2029-2030.

As provided in Civil Code §5550, the Board had a complete onsite reserve study performed in 2026. A complete reserve study must be done at least every three years and be reviewed and adjusted annually. In determining future needs, Civil Code §5570(b)(4) does not allow the Association to assume an earnings growth in the reserve fund that is more than two percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

As also required by Civil Code §5570(b)(4), the reserve study has calculated the total reserves currently needed by determining the current cost of replacement or repair of each major component multiplied by the number of years the component has been in service and then dividing that by the total useful life of the component. In effect, this computes the percentage of each component's useful life that has been used up as of the date of the reserve study or annual review and converts that to a current dollar cost of repair or replacement.



The Management Trust

A new coupon book will be mailed to you before the end of the fiscal year, if you are not enrolled in ACH through the association, with the first coupon to be used for your June 2026 payment. If you would prefer to have your assessments deducted from your checking account automatically, please log into your web portal to make the necessary adjustments. If you currently use this service, no further action is needed. Owners who use a bill pay service need to check their account number listed on the coupons. If it has changed, please notify your bill pay service immediately.

Sincerely,

Board of Directors  
Edgewood Homeowners Association

# Edgewood Homeowners Association

## 2026 Annual Budget

	Annual	Monthly	Per Unit* (108)
<b>Income</b>			
<b>Operating Funds</b>			
40010 - Assessment	648,000.00	54,000.00	500.00
40220 - RV Lot Fees	1,000.00	83.33	.77
<b>Total Operating Funds</b>	<b>649,000.00</b>	<b>54,083.33</b>	<b>500.77</b>
<b>Total Income</b>	<b>649,000.00</b>	<b>54,083.33</b>	<b>500.77</b>
<b>Expense</b>			
<b>Administration</b>			
52020 - Accounting Services	1,800.00	150.00	1.39
52150 - Collection Expense	1,500.00	125.00	1.16
52300 - Insurance General	108,173.84	9,014.49	83.47
52400 - Legal Expenses	1,500.00	125.00	1.16
52595 - Administrative Bundle	4,900.00	408.33	3.78
52600 - Management Contract	24,628.80	2,052.40	19.00
52620 - Management Extras	1,000.00	83.33	.77
52720 - Office Expense	1,500.00	125.00	1.16
52750 - Postage	300.00	25.00	.23
52810 - Reserve Study	900.00	75.00	.69
<b>Total Administration</b>	<b>146,202.64</b>	<b>12,183.55</b>	<b>112.81</b>
<b>RV Lots</b>			
54000 - RV Lot Expenses	1,000.00	83.33	.77
<b>Total RV Lots</b>	<b>1,000.00</b>	<b>83.33</b>	<b>.77</b>
<b>Landscaping</b>			
59020 - Landscape Contract	93,600.00	7,800.00	72.22
59110 - Landscape Maintenance	10,651.00	887.58	8.22
<b>Total Landscaping</b>	<b>104,251.00</b>	<b>8,687.58</b>	<b>80.44</b>
<b>Pool, Spa, &amp; Fountain</b>			
64010 - Pool & Spa Contract	5,700.00	475.00	4.40
64100 - Pool & Spa Repair & Maint	2,000.00	166.67	1.54
<b>Total Pool, Spa, &amp; Fountain</b>	<b>7,700.00</b>	<b>641.67</b>	<b>5.94</b>
<b>Repairs and Maintenance</b>			
65000 - General Maintenance & Repairs	10,000.00	833.33	7.72
66031 - Maintenance Supplies	3,000.00	250.00	2.31
66032 - Roof & Gutter Maintenance	8,000.00	666.67	6.17
66200 - Plumbing	2,000.00	166.67	1.54
<b>Total Repairs and Maintenance</b>	<b>23,000.00</b>	<b>1,916.67</b>	<b>17.75</b>

# Edgewood Homeowners Association

## 2026 Annual Budget

	Annual	Monthly	Per Unit* (108)
<b>Utilities</b>			
70070 - Electricity	11,550.00	962.50	8.91
70270 - Gas	350.00	29.17	.27
70600 - Telephone	600.00	50.00	.46
70650 - Trash	650.00	54.17	.50
70670 - Water	48,564.00	4,047.00	37.47
<b>Total Utilities</b>	<b>61,714.00</b>	<b>5,142.83</b>	<b>47.62</b>
<b>Reserve Provisions</b>			
80010 - Reserve Contribution	305,132.36	25,427.70	235.44
<b>Total Reserve Provisions</b>	<b>305,132.36</b>	<b>25,427.70</b>	<b>235.44</b>
<b>Total Expense</b>	<b>649,000.00</b>	<b>54,083.33</b>	<b>500.77</b>

( Per unit is based on the total number of units. For Associations with variable assessment rates, please refer to the variable assessment schedule.)\*



**California Assessment and Reserve Funding Disclosure For the Fiscal Year Ending 2025/2026**

March 27, 2025

(1) The regular assessment per ownership interest is \$500.00 per month for the fiscal year beginning

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_ of the attached summary.*

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
<b>Total:</b>	<b>\$0.00</b>	

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_ of the attached report.*

(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 \_\_\_\_\_ No **X**

*This disclosure has been prepared by Browning Reserve Group, a division of Reserve Advisors, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.*

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

Approximate date assessment will be due:	Amount per ownership interest per month or year:
FY2025/26 through FY2027/2028	\$1,389 over 3 years

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,745,201, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, a division of Reserve Advisors, LLC as of March, 2025. The projected reserve fund cash balance at the end of the current fiscal year is \$436,188 resulting in reserves being 25.0% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

*An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated 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.*

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2025/26	\$1,921,423	\$187,829	9.8%
2026/27	\$1,574,755	\$394,246	25.0%
2027/28	\$1,692,074	\$396,841	23.5%
2028/29	\$1,603,698	\$322,360	20.1%
2029/30	\$1,487,015	\$546,889	36.8%

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

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 2.50% per year was the assumed long-term interest rate.

**Additional Disclosures**

**§5565(d)** The current deficiency in reserve funding as of May 31, 2026 is \$16,052 per ownership interest (average).

*This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.*

Deficiency = 
$$\frac{2025/2026 \text{ Fully Funded Balance} - 2025/2026 \text{ Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

**§5300(b)(4)** The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

**§5300(b)(5)** The board of directors as of the date of the study **does anticipate** the levy of a special assessment for the repair, replacement, or restoration of the major components.

There is a major shortfall projected at \$150,000 in reserves over the next 3 fiscal years, not including amounts for cost overruns/unforeseen circumstances. All percentages and balances projected are dependent upon these additional funds being collected as indicated. This is \$1,389 per member total.



**Section III**

Edgewood Homeowners Association

**30 Year Reserve Funding Plan Cash Flow Method**

2024/2025 Update- 2

Prepared for the 2025/2026 Fiscal Year

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Beginning Balance</b>	212,080	436,188	187,829	394,246	396,841	322,360	546,889	350,625	601,853	820,082
<b>Inflated Expenditures @ 2.5%</b>	25,173	547,341	95,666	305,742	335,658	42,286	467,268	24,354	67,106	7,793
<b>Reserve Contribution</b>	241,278	241,278	244,897	248,570	252,299	256,083	259,924	263,823	267,780	271,797
<i>Lots/month @ 108</i>	186.17	186.17	188.96	191.80	194.68	197.59	200.56	203.57	206.62	209.72
<i>Percentage Increase</i>	0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Projected Reserve Shortfall<sup>1</sup></b>	0	50,000	50,000	50,000	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	8,003	7,704	7,186	9,767	8,879	10,731	11,080	11,759	17,555	23,802
<b>Ending Balance</b>	436,188	187,829	394,246	396,841	322,360	546,889	350,625	601,853	820,082	1,107,888
1) There is a major shortfall projected at \$150,000 in reserves over the next 3 fiscal years, not including amounts for cost overruns/unforeseen circumstances. All percentages and balances projected are dependent upon these additional funds being collected as indicated. This is \$1,389 per member total.										
	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
<b>Beginning Balance</b>	1,107,888	1,343,521	1,207,051	1,368,441	1,426,680	916,252	1,218,393	1,435,208	1,725,651	2,077,154
<b>Inflated Expenditures @ 2.5%</b>	70,505	447,971	154,618	264,744	832,155	21,406	117,598	54,757	6,215	115,398
<b>Reserve Contribution</b>	275,874	280,012	284,212	288,475	292,802	297,194	301,652	306,177	310,770	315,432
<i>Lots/month @ 108</i>	212.87	216.06	219.30	222.59	225.93	229.32	232.76	236.25	239.79	243.39
<i>Percentage Increase</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Projected Reserve Shortfall</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	30,264	31,489	31,796	34,508	28,925	26,354	32,761	39,023	46,948	54,429
<b>Ending Balance</b>	1,343,521	1,207,051	1,368,441	1,426,680	916,252	1,218,393	1,435,208	1,725,651	2,077,154	2,331,617
	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
<b>Beginning Balance</b>	2,331,617	2,679,944	2,931,974	2,833,024	3,211,599	3,614,971	3,973,548	3,434,770	3,569,457	3,932,996
<b>Inflated Expenditures @ 2.5%</b>	33,707	142,218	499,962	30,837	20,715	80,015	980,319	307,115	89,745	641,056
<b>Reserve Contribution</b>	320,163	324,965	329,839	334,787	339,809	344,906	350,080	355,331	360,661	366,071
<i>Lots/month @ 108</i>	247.04	250.74	254.51	258.32	262.20	266.13	270.12	274.18	278.29	282.46
<i>Percentage Increase</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Projected Reserve Shortfall</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.50%</b>	61,871	69,283	71,173	74,625	84,279	93,685	91,461	86,472	92,623	94,888
<b>Ending Balance</b>	2,679,944	2,931,974	2,833,024	3,211,599	3,614,971	3,973,548	3,434,770	3,569,457	3,932,996	3,752,899



March 27, 2025

This is a summary of the Reserve Study that has been performed for Edgewood Homeowners Association, (the "Association") which is a Planned Development with a total of 108 Lots. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, a division of Reserve Advisors, LLC prepared this Update w/o Site Visit Review for the June 1, 2025 - May 31, 2026 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

### Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

California statute imposes no reserve funding level requirements.

Edgewood Homeowners Association  
California Member Summary  
2024/2025 Update- 2  
Prepared for the 2025/2026 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2024/2025 Fully Funded Balance</i>	<i>2025/2026 Fully Funded Balance</i>	<i>2025/2026 Line Item Contribution based on Cash Flow Method</i>
<b>01000 - Paving</b>	<b>455,839</b>	<b>5-25</b>	<b>1-7</b>	<b>382,414</b>	<b>409,881</b>	<b>35,532</b>
<b>02000 - Concrete</b>	<b>90,951</b>	<b>5-30</b>	<b>1-13</b>	<b>52,635</b>	<b>57,861</b>	<b>7,195</b>
<b>03000 - Painting: Exterior</b>	<b>298,793</b>	<b>8-8</b>	<b>3-6</b>	<b>94,678</b>	<b>135,328</b>	<b>62,455</b>
<b>04000 - Structural Repairs</b>	<b>974,065</b>	<b>30-40</b>	<b>3-38</b>	<b>254,308</b>	<b>286,109</b>	<b>9,327</b>
<b>05000 - Roofing</b>	<b>1,241,826</b>	<b>1-25</b>	<b>0-22</b>	<b>812,571</b>	<b>875,349</b>	<b>90,072</b>
<b>08000 - Rehab</b>	<b>13,910</b>	<b>8-15</b>	<b>4-5</b>	<b>7,133</b>	<b>8,774</b>	<b>2,343</b>
<b>12000 - Pool</b>	<b>50,154</b>	<b>5-20</b>	<b>0-8</b>	<b>41,322</b>	<b>38,385</b>	<b>6,436</b>
<b>17000 - Tennis Court</b>	<b>29,479</b>	<b>7-21</b>	<b>3-8</b>	<b>17,893</b>	<b>20,508</b>	<b>3,543</b>
<b>18000 - Landscaping</b>	<b>25,049</b>	<b>2-20</b>	<b>1-16</b>	<b>13,342</b>	<b>16,560</b>	<b>4,610</b>
<b>19000 - Fencing</b>	<b>46,840</b>	<b>1-30</b>	<b>1-8</b>	<b>25,000</b>	<b>31,496</b>	<b>9,200</b>
<b>20000 - Lighting</b>	<b>8,541</b>	<b>5-5</b>	<b>5-5</b>	<b>1,423</b>	<b>1,751</b>	<b>2,352</b>
<b>21000 - Signage</b>	<b>6,988</b>	<b>15-15</b>	<b>4-4</b>	<b>5,124</b>	<b>5,730</b>	<b>751</b>
<b>23000 - Mechanical Equipment</b>	<b>10,315</b>	<b>12-20</b>	<b>1-1</b>	<b>9,743</b>	<b>10,573</b>	<b>856</b>
<b>24000 - Furnishings</b>	<b>8,347</b>	<b>20-20</b>	<b>6-6</b>	<b>5,843</b>	<b>6,417</b>	<b>707</b>
<b>24600 - Safety / Access</b>	<b>9,777</b>	<b>6-6</b>	<b>5-5</b>	<b>1,629</b>	<b>3,340</b>	<b>2,693</b>
<b>25000 - Flooring</b>	<b>8,033</b>	<b>20-20</b>	<b>1-1</b>	<b>7,632</b>	<b>8,234</b>	<b>601</b>
<b>27000 - Appliances</b>	<b>3,145</b>	<b>15-15</b>	<b>8-10</b>	<b>1,243</b>	<b>1,489</b>	<b>383</b>
<b>31000 - Reserve Study</b>	<b>1,747</b>	<b>3-3</b>	<b>1-1</b>	<b>1,165</b>	<b>1,791</b>	<b>872</b>
<b>32000 - Undesignated</b>	<b>11,001</b>	<b>1-1</b>	<b>0-1</b>	<b>10,101</b>	<b>1,847</b>	<b>1,348</b>
Totals	<b>\$3,294,798</b>			<b>\$1,745,201</b>	<b>\$1,921,423</b>	<b>\$241,278</b>
Estimated Ending Balance				<b>\$436,188</b>	<b>\$187,829</b>	<b>\$186.17</b>
Percent Funded				<b>25.0%</b>	<b>9.8%</b>	<b>/Lot/month @ 108</b>

**EDGEWOOD HOMEOWNERS ASSOCIATION  
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.

**COMMERCIAL GENERAL LIABILITY**

Name of Insurer:	Farmers Insurance Exchange
Policy Number:	60623-45-78
Policy Limits:	\$1,000,000 per occurrence
Amount of Deductible:	\$10,000
Policy Dates:	6/1/2025 – 6/1/2026

**PROPERTY**

Name of Insurer:	Farmers Insurance Exchange
Policy Number:	60623-45-78
Building Limit:	\$40,280,001
Property Limit:	\$46,100
Amount of Deductible:	\$10,000
Policy Dates:	6/1/2025 – 6/1/2026

**DIRECTORS & OFFICERS**

Name of Insurer:	Farmers Insurance Exchange
Policy Number:	60623-45-78
Policy Limits:	\$1,000,000 per occurrence
Amount of Deductible:	\$10,000
Policy Dates:	6/1/2025 – 6/1/2026

**CRIME**

Name of Insurer:	Farmers Insurance Exchange
Policy Number:	60623-45-78
Policy Limits:	\$50,000
Amount of Deductible:	\$2,500
Policy Dates:	6/1/2025 – 6/1/2026

**WORKERS COMPENSATION**

Name of Insurer:	Technology Insurance Company
Policy Number:	TWC4433606
Policy Limits:	\$1,000,000,000
Amount of Deductible:	\$2,500
Policy Dates:	6/1/2025 – 6/1/2026



## **2026 EDGEWOOD HOMEOWNERS ASSOCIATION ANNUAL POLICY STATEMENT**

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

### **Official Communications**

All official communications to the Association should be sent to: The Management Trust at the address below and to the attention of **Darly Hunt**, the community manager for the Association. Emails may be sent to **Darly.Hunt@ManagementTrust.com**.

### **Secondary Address**

California Civil Code requires the Association to advise all owners of the right to submit a secondary address to the Association, 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 Notice Location**

The Civil Code also requires that the membership be notified of the designated area for the posting of general notices. General notices (including meeting agendas) are emailed to all members with an email address on file.

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

All owners have the option to receive general notices by individual delivery upon written request to the Association, provided that the request is made in writing and mailed to the Association in a manner that indicates the Association has received it.

### **Minutes**

Members of the Association are hereby advised that in addition to the information required by law, minutes or summary minutes of the meetings of the Board of Directors are available to any member, upon written request and with the submission of payment for the cost of distribution.

### **Membership Assessment Collection Policy**

Enclosed is the Membership Assessment Collection Policy, which includes the Association's policies and practices in enforcing lien rights or other legal remedies for defaulting in the payment of assessments and the mailing address for overnight payment of assessments.

### **Dispute Resolution Procedures**

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 Guidelines and Procedures**

The procedures for applying for additions, alterations or modifications to a lot (or unit) within the Association, and for reviewing and approving or disapproving such applications, are set forth in the governing documents of your homeowners association. For more information, please refer to the enclosed copy of the Summary of Procedure for Approval of Physical Changes to Property.



**2026 EDGEWOOD HOMEOWNERS ASSOCIATION  
ANNUAL POLICY STATEMENT**

Page 2

**Architectural Guidelines and Procedures**

The procedures for applying for additions, alterations or modifications to a lot (or unit) within the Association, and for reviewing and approving or disapproving such applications, are set forth in the governing documents of your homeowners association. For more information, please refer to the enclosed copy of the Summary of Procedure for Approval of Physical Changes to Property.

**Governing Document Enforcement & Fine Policy**

Should any of the rules or regulations of the Association's governing documents be violated, the Board of Directors will implement the enclosed violation and fine policy.

It is suggested that you keep these reports with all other documents pertaining to your home, as you may be required to show it to any prospective buyer of your property.

**Assessment Payments**

The mailing address for regular assessments is:

The Management Trust  
Edgewood Homeowners Association  
P.O. Box 97942  
Las Vegas, NV 89193-7942

The mailing address for overnight payment of assessments is:

The Management Trust  
Edgewood Homeowners Association  
160 Blue Ravine Rd., Suite C  
Folsom, CA 95630

A different address for delivery of assessment and related payments may be designated by the Board from time to time. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

It is suggested that you keep these reports with all other documents pertaining to your home, as you may be required to show it to any prospective buyer of your property.

**Edgewood Homeowners Association  
Members Annual Disclosure Package**

**DELINQUENT ASSESSMENT COLLECTION POLICY**

Prompt payment of assessments by all Owners is critical to the financial health of the Association and to the enhancement of the property values of your homes. Under the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and the California Civil Code, the Board of Directors is obligated to enforce the members' obligation to pay assessments.

The policies and practices outlined herein have been adopted by the Board to ensure a prompt and fair collection of delinquent assessments. These policies and procedures shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors.

Therefore, pursuant to the CC&Rs and Civil Code Section 5650, the Promontory Owners Association delinquent assessment practices and policies, are as follows:

**1. Owners Obligation to Pay Assessments**

Assessments, late charges, interest, and collection costs, including any attorneys' fees, are the personal obligation of the Owner of the property at the time the assessment or other sums are imposed (Civil Code Section 5650).

**2. Monthly Assessments**

Monthly Assessments are due and payable on the first day of each month. Assessments become delinquent fifteen (15) days after they are due, unless governing documents provide for a longer time. A courtesy billing statement is sent each month to the billing address on record with the Association.

***However, it is the Owner's responsibility to pay each assessment in full each month regardless of whether a statement is mailed or received.***

**3. Late Fees**

Assessments which are not postmarked or received within the grace period following the due date are delinquent and shall be subject to a 10% late charge or a \$10.00 late charge, whichever is greater.

**4. Delinquency & Legal Notices**

1st Reminder:

The first notice of past due assessment will be prepared and mailed once an assessment becomes delinquent.

## **Edgewood Homeowners Association Members Annual Disclosure Package**

### **2nd Reminder**

The second notice of past due assessment will be mailed if the required payment has not been received within thirty (30) days of mailing the 1st notice.

### **Pre-Lien Letter:**

If an assessment is not received within forty-five (45) days after the assessment becomes delinquent, the Association or the Management Company will send a Pre-Lien Letter to the Owner as required by Civil Code Section 5560 by certified mail, including a description of its collections and lien enforcement procedures and the method of the calculation amount. It must also provide an itemized statement of the charges owed by the Owner. An Owner has the right to review the Association's records to verify the debt. The Owner also has the right to participate in the internal dispute resolution process (IDR). Charges associated with the preparation of the prelien letter will be considered a "cost of collection" and may be charged to the Owner.

### **Communication to Owner**

Any and all communications to the Owner as referenced herein will be made to the Owner's property address. Owners have the right to provide a secondary address for the purpose of receiving collection notices. The Owner's request shall be in writing and shall be mailed to the address listed below:

The Management Trust  
160 Blue Ravine Rd., Suite C  
Folsom, CA 95630

### **Communications to Association**

Any and all communications to the Association as referenced herein should be made by mail at:

The Management Trust  
160 Blue Ravine Rd., Suite C  
Folsom, CA 95630

### **5. Recording of the Lien**

If an Owner fails to pay the amounts set forth in the Pre-Lien Letter and fails to request IDR within thirty (30) days of the date of the Pre-Lien Letter, the Board shall decide, by majority vote in an open meeting, whether to authorize the recording of a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, if any, against the Owner's property. If the Association authorizes the recording of a lien against the Owner's property, the Owner will be charged for the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

## **Edgewood Homeowners Association Members Annual Disclosure Package**

### **6. Lien Enforcement**

Once the lien has been recorded, the Association, or the Management Company may enforce the lien thirty (30) days after recordation of the lien and may foreclose the lien by non-judicial foreclosure sale when either:

- (a) The delinquent assessment amount totals one thousand eight hundred dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees;  
or
- (b) The assessments are delinquent for more than twelve (12) months.

Owners could lose ownership of the subject property if a foreclosure action is completed and may also be responsible for significant additional fees and costs if a foreclosure action is commenced.

The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board.

The Board must maintain the confidentiality of the delinquent Owner(s) by identifying the matter in the minutes by only the parcel number of the Owner's property.

The Association must comply with the requirements of Civil Code Section 5700, 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.

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.

### **7. Release of the Lien**

Within twenty-one (21) days of the payment of the sums specified in the notice of delinquent assessment, the Association shall record or cause to be recorded in the office of the county recorder, in which the notice of delinquent assessment is recorded, a lien release or notice of rescission and provide the Owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied (Civil Code Section 5685).

### **8. Owner's Right to Inspect Accounting**

Pursuant to Corporations Code Section 8333, the accounting books, records, and minutes of proceedings of the members and the board and committees of the board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for purpose reasonably related to such person's interests as a member.

## **Edgewood Homeowners Association Members Annual Disclosure Package**

### **9. Owner's Right to Dispute Resolution**

Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in Internal Dispute Resolution (IDR) or Alternative Dispute Resolution.

Pursuant to Civil Code Section 5900 et seq., an Owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the management company for delivery to the Association.

Pursuant to Civil Code Section 5925 et seq., an Owner has the right to request alternative dispute resolution with a neutral third party before the Association may initiate foreclosure against the Owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

### **10. Payment Plan**

Any Owner who is unable to pay assessments will be entitled to make a written request for a payment plan for consideration by the Board of Directors. An Owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter.

The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an Owner's separate interest to secure payment for the Owner's delinquent assessments.

If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period.

If a payment plan is approved, additional late fees from the homeowner will not accrue while the Owner remains current under the terms of the payment plan. If the Owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.

### **11. How Payments are Applied**

Any payment made will first be applied to assessments owed and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, if any, including attorneys' fees, unless the Owner and the Association enter into an agreement providing for payments to be applied in a different manner.

**Edgewood Homeowners Association  
Members Annual Disclosure Package**

Pursuant to California Civil Code Section 5665, the Association must inform Owners of a mailing address for overnight payments.

Mailing Address for Overnight Payments:  
The Management Trust  
160 Blue Ravine Rd., Suite C  
Folsom, CA 95630

**12. No Offset**

There is no right to offset. An Owner may not withhold assessments owed to the Association on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation.

## **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 NON-JUDICIAL FORECLOSURE**

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as non-judicial foreclosure. When using 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 lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 5600 and 5650 of the Civil Code)

In a 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 5600 and 5650 of the Civil Code)

The association must comply with the requirements of Section 5650 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 5650 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. Among these documents, the association must send 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 5650 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 5650 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. (Sections 5600 and 5650 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 5600 and 5650 of the Civil Code)

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 5650 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 5650 of the Civil Code)

The board of the 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 with the payment plan standards of the association, if they exist. (Section 5650 of the Civil Code)

SUMMARY OF CALIFORNIA STATUTES RELATING TO  
ALTERNATIVE DISPUTE RESOLUTION AND OF THE  
INTERNAL DISPUTE RESOLUTION PROCEDURES

SUMMARY OF CALIFORNIA CIVIL CODE  
SECTIONS 5925 THROUGH 5965

PLEASE TAKE NOTICE: California Civil Code Sections 5925 through 5965 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act. The following is a summary of the provisions of Civil Code Sections 5925 through 5965, as enacted effective January 1, 2005.

In general, Civil Code Sections 5925 through 5965 encourages parties to a dispute involving enforcement of an association's governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel disputes away from our state's court system.

Under Civil Code Sections 5925 through 5965, the form of alternative dispute resolution may be binding or non-binding and the costs will be borne equally or as agreed to by the parties involved.

Any party to a dispute regarding enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt of the Request will be deemed rejected.

If the Request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code Chapter 7, Article 2 (Alternative Dispute Resolution), Sections 5925 et seq., in its entirety.

**FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE RESOLUTION REQUIREMENTS OF SECTION 5930 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.**

Should the association or an individual member wish to file a lawsuit for enforcement of the association's governing documents 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 of small claims court (as of January 1, 2012 ten thousand dollars (\$10,000) for individuals or five thousand dollars (\$5,000) for homeowners associations), the law requires the association or the individual to file a certificate with the court stating that one or more of the following conditions has been satisfied: (1) ADR has been completed in accordance with the statute; (2) one of the other parties to the dispute did

not accept ADR; and/or (3) preliminary or injunctive relief is necessary. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to the filing of this required certificate for small claims actions, or some assessment disputes.

Furthermore, in any lawsuit to enforce the governing documents, while the prevailing party may be awarded attorney's fees and costs, under Civil Code 5975, the court may consider any party's refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

#### SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCEDURES

Pursuant to Civil Code Section 5915 (Civil Code Section 5900, et seq.), either the Association or a Homeowner who is involved in a dispute regarding the Governing Documents, the non-profit mutual benefit corporation law, and/or Davis-Stirling Common Interest Development Act may invoke the following procedure, which supplements the pre-litigation procedures described above (it does not replace such procedures):

- 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 may not refuse a request to meet and confer.
- 3) The association's board of directors shall designate a member of the board 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.
- 6) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
  - (i) The agreement is not in conflict with California law or the governing documents of the association.
  - (ii) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- 7) A member of the association may not be charged a fee to participate in the process.

Summary of Procedure for Approval of  
Physical Changes to Property

The following summary is provided pursuant to Civil Code Section **4765**. The procedures for applying for additions, alterations or modifications to a lot (or unit) within the Association, and for reviewing and approving or disapproving such applications, are set forth in the Covenants, Conditions and Restrictions of your homeowners association.

The following procedure is used by the Association to review and approve or disapprove applications for physical changes to a lot (or unit):

1. All applications for physical changes must be in writing and accompanied by any plans, sketches, specifications and/or diagrams necessary to adequately describe the nature and extent of the proposed change and as may be required by the rules of the Association. An application shall not be deemed to be complete until all required documentation has been provided.
2. The Association shall review the application and supporting documents and shall either approve or disapprove it based upon the following criteria:
  - a. Compliance of the application and supporting documents with the requirements of the governing documents of the association;
  - b. Conformation that the proposed change conforms to the requirements and restrictions of the governing documents of the association;
  - c. Conformation that the proposed change will otherwise be consistent with the architectural and aesthetic standards prevailing within the development, in harmony with the existing structures, landscaping and/or topography existing within the development and consistent with the overall plan and scheme of the development.
3. The Association is not required to approve a requested change simply because it has been previously approved for another lot (or unit).
4. A vote of a majority of a quorum of the Board/Architectural Committee shall be sufficient to approve an application.
5. The Association shall either approve or disapprove the proposed change within the time lines required in the Association's governing documents after receipt of the application and all supporting documents. The applicant shall be promptly notified of the decision.
6. Any decision may be appealed to the Board. The vote of the Board as to the application shall be final.

## **Edgewood Homeowners Association Members Annual Disclosure Package**

### **Penalties for Violation of the Governing Documents**

California Civil Code §5850 requires the Association to provide a description of the Association's discipline policies regarding penalties for violations for the governing documents.

#### **Violation Enforcement**

##### **Fines:**

To ensure compliance with the rules stated in the Community CC&Rs, Owners may be fined not less than \$10.00 no more than \$50.00 per occurrence or continuation of violations. Fine amounts are to be set by the Board of Directors based on the merits of each violation.

#### **Due Process Requirements**

Before the Board imposes any monetary penalties or suspension of membership rights or Common Area use privileges against any member for failure to comply with the Declaration, the Bylaws or the Association Rules, The Board must act in good faith and satisfy each of the following requirements:

1. The member must be given fifteen (15) days prior written notice specifying the nature of the damage or violation and stating the time, date, and place that the member will have an opportunity to be heard. Notice may be delivered personally or by mail. If the notice is given by mail, it must be sent by first class or registered mail to the last address of the member as shown on the Association's records.
2. The member will be given an opportunity to be heard, orally or in writing, by the board. Members shall have the opportunity to present witness on all the member's behalf and to cross-examine any witness that may testify against the member. After the hearing, the board shall determine whether owner damage or a violation has occurred and, if so, may impose a "Reimbursement Assessment", which shall become effective not less than five (5) days after the date of the hearing or the Board may take such other action as may be appropriate.

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CIVIL CODE 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.

**Provider of the Section 4525 items:**

Nancy Muratalla	Escrow Manager	The Management Trust, Agent	September 1, 2024
Print name	Position or Title	Association or Agent	Date Form Completed

DOCUMENT	CIVIL CODE SECTION INCLUDED	FEE FOR DOCUMENT	Not Available (N/A), Not Applicable (N/APP)
Articles of Incorporation or statement that association is not incorporated	Section 4525(a)(1)	\$ 35.00	
CC&Rs	Section 4525(a)(1)	\$ 55.00	
Bylaws	Section 4525(a)(1)	\$ 45.00	
Operating Rules	Section 4525(a)(1)	\$ 50.00	
Age Restrictions, if any	Section 4525(a)(2)		Refer to the Demand
Rental Prohibitions, if any	Section 4525(a)(9)		Refer to CC&Rs
Annual Budget Report or summary, including Reserve Study summary	Sections 5300 and 4525(a)(3)	\$ 60.00	
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525(a)(4)		Included in Budget
Financial Statement Review/Audit	Sections 5305 and 4525(a)(3)	\$ 45.00	
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, if any	Section 4525(a)(4)		Refer to the Demand
Emergency Assessment, if any	Section 4525(a)(4)		Refer to the Demand
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, if any	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 Violation	Sections 5855 and 4525(a)(5)	\$ 55.00	
Required Statement of Fees / Demand	Section 4525	\$ 270.00	
Minutes of Regular Board Meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$ 60.00	
<b>Total fees for these documents:</b>		<b>\$675.00</b>	

\*The information provided by this form may not include all fees that may be imposed before 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.