



**RESERVE STUDY**

Member Distribution Materials

**Edgewood Homeowners Association**

*Update w/o Site Visit Review*

2023/2024 Update

Published - April 26, 2024

Prepared for the 2024/2025 Fiscal Year

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>California:</i>	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	<i>[Civil Code §5570]</i> 3
<i>Section III:</i>	30 Year Reserve Funding Plan	<i>Cash Flow Method {c}</i> 5

April 26, 2024

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, LLC prepared this Update w/o Site Visit Review for the June 1, 2024 - May 31, 2025 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.50% 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  
2023/2024 Update  
Prepared for the 2024/2025 Fiscal Year

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2023/2024 Fully Funded Balance	2024/2025 Fully Funded Balance	2024/2025 Line Item Contribution based on Cash Flow Method
<b>01000 - Paving</b>	<b>442,563</b>	<b>5-25</b>	<b>2-8</b>	<b>382,153</b>	<b>414,316</b>	<b>31,583</b>
<b>02000 - Concrete</b>	<b>88,302</b>	<b>5-30</b>	<b>2-14</b>	<b>47,399</b>	<b>52,380</b>	<b>6,245</b>
<b>03000 - Painting: Exterior</b>	<b>301,735</b>	<b>1-5</b>	<b>0-4</b>	<b>70,490</b>	<b>119,784</b>	<b>81,547</b>
<b>04000 - Structural Repairs</b>	<b>977,494</b>	<b>30-40</b>	<b>2-39</b>	<b>252,481</b>	<b>284,582</b>	<b>9,513</b>
<b>05000 - Roofing</b>	<b>1,198,607</b>	<b>1-25</b>	<b>0-23</b>	<b>733,937</b>	<b>800,737</b>	<b>78,174</b>
<b>08000 - Rehab</b>	<b>13,504</b>	<b>8-15</b>	<b>2-6</b>	<b>8,137</b>	<b>9,760</b>	<b>1,943</b>
<b>12000 - Pool</b>	<b>52,558</b>	<b>5-20</b>	<b>2-9</b>	<b>38,380</b>	<b>43,887</b>	<b>6,128</b>
<b>17000 - Tennis Court</b>	<b>28,620</b>	<b>7-21</b>	<b>1-8</b>	<b>19,443</b>	<b>22,034</b>	<b>2,932</b>
<b>18000 - Landscaping</b>	<b>25,189</b>	<b>1-20</b>	<b>0-17</b>	<b>13,280</b>	<b>13,277</b>	<b>3,931</b>
<b>19000 - Fencing</b>	<b>46,067</b>	<b>1-30</b>	<b>0-9</b>	<b>21,239</b>	<b>26,865</b>	<b>7,919</b>
<b>20000 - Lighting</b>	<b>8,292</b>	<b>5-5</b>	<b>2-2</b>	<b>4,975</b>	<b>6,799</b>	<b>2,219</b>
<b>21000 - Signage</b>	<b>6,784</b>	<b>15-15</b>	<b>2-2</b>	<b>5,879</b>	<b>6,490</b>	<b>605</b>
<b>23000 - Mechanical Equipment</b>	<b>10,015</b>	<b>12-20</b>	<b>2-2</b>	<b>8,904</b>	<b>9,696</b>	<b>743</b>
<b>24000 - Furnishings</b>	<b>8,104</b>	<b>20-20</b>	<b>2-2</b>	<b>7,293</b>	<b>7,891</b>	<b>542</b>
<b>24600 - Safety / Access</b>	<b>18,984</b>	<b>6-6</b>	<b>5-5</b>	<b>3,164</b>	<b>6,486</b>	<b>4,560</b>
<b>25000 - Flooring</b>	<b>7,799</b>	<b>20-20</b>	<b>1-1</b>	<b>7,410</b>	<b>7,994</b>	<b>509</b>
<b>27000 - Appliances</b>	<b>3,054</b>	<b>15-15</b>	<b>2-6</b>	<b>2,269</b>	<b>2,534</b>	<b>286</b>
<b>31000 - Reserve Study</b>	<b>1,696</b>	<b>3-3</b>	<b>2-2</b>	<b>565</b>	<b>1,159</b>	<b>757</b>
<b>32000 - Undesignated</b>	<b>1,749</b>	<b>1-1</b>	<b>1-1</b>	<b>875</b>	<b>1,793</b>	<b>1,142</b>
Totals	<b>\$3,241,115</b>			<b>\$1,628,274</b>	<b>\$1,838,466</b>	<b>\$241,278</b>
Estimated Ending Balance				<b>\$228,053</b>	<b>\$606,149</b>	<b>\$186.17</b>
Percent Funded				<b>14.0%</b>	<b>33.0%</b>	/Lot/month @ 108

April 26, 2024

(1) The regular assessment per ownership interest is  \$395.00  per month for the fiscal year beginning June 1, 2024.

*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
Total:	\$0.00	

*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, 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:
FY25 Through FY27	\$4,167 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 \$1,628,274, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, LLC as of April, 2024. The projected reserve fund cash balance at the end of the current fiscal year is \$228,053 resulting in reserves being 14.0% 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)
2024/25	\$1,838,466	\$606,149	33.0%
2025/26	\$2,057,107	\$294,799	14.3%
2026/27	\$1,571,495	\$571,640	36.4%
2027/28	\$1,674,324	\$275,589	16.5%
2028/29	\$1,345,887	\$208,800	15.5%

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 1.50% per year was the assumed long-term interest rate.

### Additional Disclosures

**§5565(d)** The current deficiency in reserve funding as of May 31, 2025 is \$11,410 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.*

$$\text{Deficiency} = \frac{2024/2025 \text{ Fully Funded Balance} - 2024/2025 \text{ Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

**§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 in reserves (\$300,000) by FY27, not including amounts for cost overruns/unforeseen circumstances. The overall shortfall is projected at \$450,000 over the next 3 fiscal years. All percentages and balances projected are dependent upon these additional funds being collected as indicated. This is \$4,167 per member total.

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

2023/2024 Update

Prepared for the 2024/2025 Fiscal Year

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Beginning Balance</b>	44,331	228,053	606,149	294,799	571,640	275,589	208,800	480,149	753,815	963,613
<b>Inflated Expenditures @ 2.5%</b>	15,943	19,392	716,573	135,580	566,008	341,956	13,486	23,618	99,728	395,444
<b>Reserve Contribution</b>	232,572	241,278	248,516	255,971	263,650	271,560	279,707	288,098	296,741	305,643
<i>Lots/month @ 108</i>	179.45	186.17	191.76	197.51	203.43	209.54	215.82	222.30	228.97	235.84
<i>Percentage Increase</i>		3.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Projected Reserve Shortfall <sup>1</sup></b>	-34,935	150,000	150,000	150,000	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	2,028	6,210	6,707	6,450	6,307	3,606	5,129	9,186	12,785	13,781
<b>Ending Balance</b>	228,053	606,149	294,799	571,640	275,589	208,800	480,149	753,815	963,613	887,592

1) 2023/2024 loan repayment to MasterCraft Paint. **There is a major shortfall in reserves (\$300,000) by FY27, not including amounts for cost overruns/unforeseen circumstances. The overall shortfall is projected at \$450,000 over the next 3 fiscal years. All percentages and balances projected are dependent upon these additional funds being collected as indicated. This is \$4,167 per member total.**

	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43
<b>Beginning Balance</b>	887,592	1,210,266	1,486,866	1,490,121	1,657,731	1,378,865	1,266,121	1,654,774	1,926,286	2,260,535
<b>Inflated Expenditures @ 2.5%</b>	7,755	67,734	352,891	199,827	655,795	497,388	8,993	134,808	80,378	469,972
<b>Reserve Contribution</b>	314,812	324,256	333,984	344,004	354,324	364,954	375,903	379,662	383,459	387,294
<i>Lots/month @ 108</i>	242.91	250.20	257.70	265.44	273.40	281.60	290.05	292.95	295.88	298.84
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	1.0%	1.0%	1.0%
<b>Projected Reserve Shortfall</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	15,617	20,078	22,161	23,433	22,605	19,690	21,744	26,658	31,167	33,288
<b>Ending Balance</b>	1,210,266	1,486,866	1,490,121	1,657,731	1,378,865	1,266,121	1,654,774	1,926,286	2,260,535	2,211,145

	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53
<b>Beginning Balance</b>	2,211,145	2,625,612	3,040,897	3,363,242	3,644,315	3,576,947	4,037,579	4,455,276	3,818,392	4,028,721
<b>Inflated Expenditures @ 2.5%</b>	12,706	21,977	124,358	174,113	528,174	7,173	60,758	1,117,858	271,664	771,909
<b>Reserve Contribution</b>	391,167	395,079	399,030	403,020	407,050	411,121	415,232	419,384	423,578	427,814
<i>Lots/month @ 108</i>	301.83	304.84	307.89	310.97	314.08	317.22	320.40	323.60	326.83	330.10
<i>Percentage Increase</i>	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Projected Reserve Shortfall</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	36,006	42,182	47,673	52,165	53,756	56,684	63,222	61,591	58,415	57,850
<b>Ending Balance</b>	2,625,612	3,040,897	3,363,242	3,644,315	3,576,947	4,037,579	4,455,276	3,818,392	4,028,721	3,742,476

# **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:

Network Community Management, Inc.  
P.O. Box 727  
Roseville, CA 95661

### **Communications to Association**

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

Network Community Management, Inc.  
P.O. Box 727  
Roseville, CA 95561

Or fax by:  
(916)771-8556

### **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:  
Network Community Management  
1700 Eureka Road, Suite 130  
Roseville, CA 95661

**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.

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

### **SUMMARY OF DISPUTE RESOLUTION PROCEDURES RELATING TO GOVERNING DOCUMENTS ENFORCEMENT**

#### **ALTERNATIVE DISPUTE RESOLUTION PROCEDURES SUMMARY OF CALIFORNIA CIVIL CODE SECTIONS §5925 THROUGH §5965**

California Civil Code §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 §5925 through §5965, as enacted effective January 1, 2014.

In general, California Civil Code §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 California Civil Code §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 or 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 member 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 DISPUTE 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 homeowner associations), the law requires the association or the individual to file a

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

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 enforcement action in which attorney's fees and costs may be awarded, under Civil Code §5960, 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.

### **INTERNAL DISPUTE RESOLUTION PROCEDURES SUMMARY OF CALIFORNIA CIVIL CODE SECTIONS §5900 THROUGH §5915**

Pursuant to California Civil Code §5915 (California Civil Code §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 the 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 board shall designate a director to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (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 common interest development or association.
  - (ii) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.
- (7) A member may not be charged a fee to participate in the process.

**Edgewood Homeowners Association  
Members Annual Disclosure Package**

California law requires the Association make the following statements and disclosures to all owners annually:

---

**Person Designated to Receive Official Communications to the Association  
[California Civil Code §4035]**

All official communications to the Association must be in writing and mailed or emailed to:

**Network Community Management  
Attn: Suzette Davies, Community Manager  
1700 Eureka Rd, Suite 130  
Roseville, CA 95661**

**Email: [info@2ncm.com](mailto:info@2ncm.com)**

---

**Owners' Right to Provide a Secondary Address for Notices  
[California Civil Code §4040(b)]**

Each Owner has the right to submit the Association a secondary address for the purpose of receiving additional copies of notices. To receive additional copies of notices at a secondary address, you must submit a secondary address in writing to the Association at the address listed below. Your request must be mailed in a manner that shall indicate the Association received it, for example, via Certified Mail.

---

**Location for Posting General Notices  
[California Civil Code §4045(a)]**

General Notices, including meeting notices, will be posted at the gate entrances or the management office.

---

**Owners' Right to Receive General Notices by Individual Delivery  
[California Civil Code §4045(b)]**

Each Owner has the right, upon written request to the Association, to have all general notices sent to that owner by individual delivery, either by mail or electronic means. To receive additional copies of notices at a secondary address, you must submit your secondary address in writing to the Association at the address as dictated. Your request must be mailed in a manner that shall indicate the Association received it, for example, via Certified Mail.

**Edgewood Homeowners Association  
Members Annual Disclosure Package**

**Owners' Right to Obtain Copies of Board Meeting Minutes  
[California Civil Code §4950(b)]**

Each Owner has the right, upon request to the Association, to obtain copies of the minutes of Board Meeting (other than Executive Sessions of the Board). To obtain copies of such minutes, you must submit your written request to the Association and require Members to reimburse the Association for the Association's costs for providing copies of such minutes.

---

**Members' Rights to Receive a Copy of Annual Financial Report  
[California Civil Code §5300]**

Each Owner has the right, upon request to the Association, to receive a copy of the most recent Annual Financial Report prepared pursuant to the California Corporations Code §5300. To obtain such Annual Financial Report, you must submit your written request to the Association at the address listed below.

---

**Membership List Policy**

Any member may request, in writing, a copy of the Membership List. Any member may, in writing, have their information removed from any Membership List.

---

Address to submit written requests to the Association:

**Edgewood Homeowners Association  
c/o Network Community Management  
P.O. Box 727  
Roseville, CA 95661**

---

# **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.



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

### **Requirements for Association Approval of Physical Changes to Property [California Civil Code §4765]**

The Architectural Review Committee and the Board of Directors have developed “Design Guidelines” concerning the exterior changes to the homes and improvements to the homesites. These guidelines conform to the CC&R’s of the Association. The purpose of these guidelines is to provide the required information and forms regarding any exterior changes and modifications of the home so the Architectural Review Committee may render its decision.

Alterations, additions or modifications made to the homesite or the exterior surfaces of the home must have prior written approval from the Architectural Review Committee. This includes visible landscaping, solar energy systems, fences, walls, sun screens, decks, pools, spas, water features, pet enclosures, color changes, sheds, any sports apparatus, play structures, etc.

Any alterations that do not have prior written approval by the Architectural Review Committee will be removed by the owners and the area will be restored to its original condition. Should the owner fail to comply, the Association will pursue its legal remedies, including, but not limited to, having the alteration removed at the owner’s expense. In addition, the Board of Directors may also assess fines for non-compliance of a Board request to have non-approved alterations restored to their original condition. **Please remember that owners must get approval BEFORE any changes or additions.**

When applying for approval, a Home Improvement Request Application must be submitted. At a minimum, the following specific items must be included:

1. Completed Home Improvement Request Application
2. Identify exact location of improvement using a scale drawing, if applicable
3. State color, size, composition and description of improvement and materials
4. Photo, sketch, plan and/or copy of advertisement
5. Contractor’s name or manufacturer’s name of item being constructed
6. Two (2) sets of plans

A building permit may be required. Consult the local city or county authorities for building code requirements.

All completed Home Improvement Request Applications should be submitted to the following address for processing:

**Edgewood Homeowners Association  
c/o Network Community Management  
1700 Eureka Road – Suite 130  
Roseville, CA 95661**

## **Edgewood Homeowners Association**

### **Transfer Documentation Packages**

In the event of a sale or transfer of ownership, Network Community Management will prepare a complete documentation package consisting of CC&Rs, Articles of Incorporation, Association By-Laws, Current Association Budget, Insurance Policies/Certifications, and more. This information will be provided by a third-party company to the Escrow/Title Company that has been designated by the seller or seller's agent. The current fee for this service is \$450.00 for a complete package and is subject to change. Additionally, there will be a transfer fee in the amount of \$275.00. This fee can be paid by either the buyer or seller of the property being transferred and will not result in an expense to the association.

**2024 EDGEWOOD HOA  
EMERGENCY CONTACT INFO and  
ANNUAL STATEMENT OF OCCUPANCY INFORMATION SHEET**

This document is an addendum to the Edgewood Homeowner's Association Rules. The information requested is for use in case of emergency and to maintain accurate records for the proper preservation of the community rental restriction program. The information will be held in the strictest of confidence.

**ALL OWNERS MUST SUBMIT THIS FORM ANNUALLY OR UPON CHANGE OF OCCUPANCY**

**Rental Restriction Program Rules:**

1. All Homeowners must complete an information sheet with current contact information annually.
2. All Homeowners must identify if they are landlords and are renting their unit.
3. All Owner / Landlords must provide AMC Management a copy of the Rental/Lease Agreement.
4. All Owner / Landlords must provide AMC an updated information sheet each time the unit is rented.
5. All Homeowners who fail to provide an updated information sheet will be subject to a hearing before the Board. Failure to comply with the program rules could result in fines.

**PLEASE PRINT AND RETURN IMMEDIATELY**

**OWNER/ ALL RESIDENT NAME(S):** \_\_\_\_\_

**UNIT ADDRESS:** \_\_\_\_\_

**MAILING ADDRESS:** \_\_\_\_\_

**OWNER'S PHONE:** (CELL) (\_\_\_\_\_) \_\_\_\_\_ (HOME) (\_\_\_\_\_) \_\_\_\_\_

**OWNER'S EMAIL ADDRESS** \_\_\_\_\_@\_\_\_\_\_

**EMERGENCY CONTACT NAME** \_\_\_\_\_ **PHONE NUMBER** \_\_\_\_\_

OWNER VEHICLES	MAKE	MODEL	COLOR	LICENSE PLATE
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**FOR OWNERS THAT RENT THEIR UNIT**

**MY HOME IS A RENTAL:** (CHECK ONE) (\_\_\_\_\_) YES (\_\_\_\_\_) NO

**PLEASE ATTACH A COPY OF YOUR LEASE AGREEMENT WITH YOUR CURRENT TENANT AS IN ACCORD WITH  
AND PERMITTED BY CALIFORNIA STATE LAW**

**MANAGEMENT COMPANY CONTACT INFORMATION (IF APPLICABLE)**

NAME: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

PHONE: (CELL) (\_\_\_\_\_) \_\_\_\_\_ (WORK) (\_\_\_\_\_) \_\_\_\_\_

MANAGEMENT EMAIL ADDRESS: \_\_\_\_\_@\_\_\_\_\_

**OCCUPANT / TENANT CONTACT INFORMATION:**

OCCUPANT / ALL TENANT NAME(S): \_\_\_\_\_

\_\_\_\_\_

OCCUPANT / TENANT PHONE NUMBER: (CELL) (\_\_\_\_\_) \_\_\_\_\_

(HOME) (\_\_\_\_\_) \_\_\_\_\_

TENANT EMAIL ADDRESS: \_\_\_\_\_

EMERGENCY CONTACT NAME: \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

OCCUPANT VEHICLES: MAKE MODEL COLOR LICENSE PLATE

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I HAVE GIVEN A COPY OF THE CC&R's & ASSOCIATION RULES TO THE UNIT OCCUPANT. (\_\_\_\_\_) YES (\_\_\_\_\_) NO  
(PLEASE CHECK ONE)

**PLEASE SIGN AND DATE BELOW:**

OWNER NAME OWNER SIGNATURE DATE

\_\_\_\_\_

Please return by email to [info@2ncm.com](mailto:info@2ncm.com)  
or via US Mail:  
Edgewood HOA  
Network Community Management  
PO Box 727  
Roseville, CA 95661  
Forms may also be delivered to the Edgewood Clubhouse  
Mailbox.