

EDGEWATER ISLE SOUTH OWNERS ASSOCIATION

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November 30, 2007

Homeowners
Edgewater Isle South Owners Association
San Mateo CA 94404

Subject: **Edgewater Isle South Owners Association 2008 Budget**

Dear Homeowners,

Enclosed is the Operating Budget for the South Owners Association for the fiscal year starting January 1, 2008. You will note that your **monthly homeowner dues for 2008 will be as follows:**

Unit Type 1: \$312.16*
Unit Type 2: \$326.29*
Unit Type 3: \$325.27*
Unit Type 4: \$355.07*
Unit Type 5: \$367.13*

➤ The Board proposes a 0% increase in the amount of the regular assessment in 2008, *pending the members' approval of a special assessment to supplement operating expenses.* If this special assessment is not approved, regular assessments will need to be increased by approximately 19% per unit in 2008.

*Master Association assessments in the amount of \$125.00 per unit/month, and Commercial Master Association assessments in the amount of \$2.05 per unit/month will be added to your South Association assessments.

Your attention is called to the following salient points in the budget:

1. Dues for Fiscal Year 2007 are projected to be insufficient to cover this year's operating costs by approximately \$27,498.
2. In 2008, we anticipate only slight increases in most budget categories, with the exception of the following areas:
 - Legal
 - Insurance
 - Taxes
 - Copies & Postage
 - Landscape - Trees
 - Fire Extinguishers
3. During 2008, \$122,046 will be contributed to the Replacement Reserve Fund, a slight increase compared to \$119,653 in 2007.
4. The Board is proposing **two special assessments for 2008 in the combined amounts of \$247,733** to pay for Unit 1 and Unit 4 deck drainage repairs and anticipated shortfalls in the 2007 and 2008 operating budgets. Enclosed with this budget is further information and your ballot to vote on this very important issue.

Included with the budget are your annual disclosures, including: a copy of the Reserves Study; Assessment and Reserve Fund Disclosure Summary; Insurance coverage summaries; Notice regarding Assessments & Foreclosure; the Association's Assessment Collection Policy; Alternate Dispute Resolution (ADR) Rights Summary; the Association's Internal

Dispute Resolution Policy ("Meet & Confer"); Notice of Members Right to Minutes; Notice of Members Right to Secondary Address for Collection Notices; and Rules & Policies.

The Board meets monthly and all members are welcome to attend. Information regarding the meeting dates and location is available from the management company by calling: 650-787-7521. Board meeting minutes are available to any member for a reasonable copy charge.

Please keep these budgets and attachments with other documents pertaining to the ownership of your unit at Edgewater Isle. A copy of the budget may be required should you refinance or sell your unit.

Regards,

Board of Directors
Edgewater Isle South Owners Association