

# **EDGEWATER ISLE MASTER ASSOCIATION**

P.O. BOX 871  
BELMONT, CA 94002

April 25, 2008

Dear Members,

A letter was recently distributed by a homeowner to members regarding the matter of two checks totaling \$16,000 sent from the North Association to the Master Association. Much of the information is not accurately represented and we would like to clarify this matter with the members.

For several years, a recurrent pattern has existed regarding the North Association issuance of checks to the Master Association for assessments and onsite maintenance services. Often, checks the Master Association receives from the North Association are made payable to an incorrect payee.

Pargett Association Management worked for several years to try to resolve the problem with the North's management company, but the issue kept recurring, so it became normal practice to deposit checks from Edgewater Isle North that were erroneously made payable to an incorrect payee. This was considered necessary to expedite receivables to the Master Association in order to pay bills in a timely manner.

To illustrate this issue and to address the specific \$16,000 instance mentioned by the homeowner, Edgewater Isle Master Association received 4 checks in January 2008 from Edgewater Isle North Association, as follows:

Check 1810, Payable to "Edgewater Isle North" in the amount of \$596.16  
Check 1819, Payable to "Edgewater Isle Master Assoc" in the amount of \$596.16  
Check 1823, Payable to "Edgewater Isle North" in the amount of \$14,000.00  
Check 1824, Payable to "Edgewater Isle North" in the amount of \$2,000.00

Checks, 1810 & 1819, in the amount of \$596.16 each were applied against Edgewater Isle Master Association invoices for the North Association's share of Miguel's onsite maintenance services.

Checks, 1823 & 1824, in the amount totaling \$16,000 were applied against an outstanding invoice in the amount of \$16,548 for costs incurred by Edgewater Isle Master Association to uncover 17 of the North Associations sewer cleanouts so that routine maintenance of those cleanouts could be performed by the Master

Association. A statement reflecting this past due balance was mailed to Edgewater Isle North Association on December 22, 2007, and when these 2 checks were received in January, they were applied against this invoice.

Enclosed are copies of these checks. The signatures and account number have been redacted for security purposes.

Several weeks later (3/14/2008), Nick Pargett received a call from the North's management company informing him that check numbers 1823 and 1824 were mailed to the Master Association in error and that they were supposed to be payments to the North Association's reserve account. Unfortunately, there was nothing on the checks that clearly indicated this.

Upon receipt of this information, Nick Pargett contacted members of both the Edgewater Isle Master Association Board as well as the Edgewater Isle North Association Board. He attended a meeting of the North Association Board stating that the funds could be returned upon receipt of a written statement of the error and demand for payment, as is consistent with good business and accounting practices.

After a short delay, a letter was received from the North Association's attorney and the issue was resolved with all parties working together to correct this error as expeditiously as possible.

The Board would like to thank homeowners for their concern in protecting their homes and investments.

Regards,

The Board of Directors  
Edgewater Isle Master Association

Check 1819: Correct payee, correctly deposited by Edgewater Isle Master Association

**EDGEWATER ISLE NORTH HOMEOWNERS ASSN**  
OPERATING ACCOUNT  
1935 Dry Creek Road, Suite 203  
Campbell, CA 95008-3631

**COMERICA**  
Association Bank Services  
San Francisco, CA 94111  
90-3752/1211

1819

DATE	12/21/2007
AMOUNT	***596.16

PAY Five Hundred Ninety-Six and 16/100\*\*\*\*\*

TO THE  
ORDER  
OF

EDGEWATER ISLE MASTER ASSOC  
P.O. BOX 871  
BELMONT, CA 94002

SIGNATURES REQUIRED

Note: No Memo Line

Check 1810: Incorrect payee, correctly deposited by Edgewater Isle Master Association

**EDGEWATER ISLE NORTH HOMEOWNERS ASSN**  
OPERATING ACCOUNT  
1935 Dry Creek Road, Suite 203  
Campbell, CA 95008-3631

**COMERICA**  
Association Bank Services  
San Francisco, CA 94111  
90-3752/1211

1810

DATE	12/19/2007
AMOUNT	***596.16

PAY Five Hundred Ninety-Six and 16/100\*\*\*\*\*

TO THE  
ORDER  
OF

EDGEWATER ISLE NORTH

TWO SIGNATURES REQUIRED

Note: No Memo Line or Address for Payee

Check 1823: Correct payee, erroneously sent to Edgewater Isle Master Association by North

**EDGEWATER ISLE NORTH HOMEOWNERS ASSN**  
OPERATING ACCOUNT  
1935 Dry Creek Road, Suite 203  
Campbell, CA 95008-3631

**COMERICA**  
Association Bank Services  
San Francisco, CA 94111  
90-3752/1211

1823

DATE	1/4/2008
AMOUNT	***14,000.00

PAY Fourteen Thousand and 00/100\*\*\*\*\*

TO THE  
ORDER  
OF

EDGEWATER ISLE NORTH

TWO SIGNATURES REQUIRED

Note: No Memo Line or Address for Payee

Check 1824: Correct payee, erroneously sent to Edgewater Isle Master Association by North

**EDGEWATER ISLE NORTH HOMEOWNERS ASSN**  
OPERATING ACCOUNT  
1935 Dry Creek Road, Suite 203  
Campbell, CA 95008-3631

**COMERICA**  
Association Bank Services  
San Francisco, CA 94111  
90-3752/1211

1824

DATE	1/4/2008
AMOUNT	***2,000.00

PAY Two Thousand and 00/100\*\*\*\*\*

TO THE  
ORDER  
OF

EDGEWATER ISLE NORTH

TWO SIGNATURES REQUIRED

Note: No Memo Line or Address for Payee