### Hearthstone Condominium Owners Association

#### Dear Homeowner:

We are enclosing a copy of the 2026 Operating and Reserve Annual Budget for your association, which the Board of Directors adopted at a noticed and conducted meeting of the Board of Directors on November 29, 2025. The operating budget contains estimates for the day-to-day operations of the association plus the amount to be transferred to the reserves to be used for reserve expenses

Pursuant to the Nevada Revised Statute, the Association shall establish adequate reserves, funded on a reasonable basis, for the repair, replacement, and restoration of the major components of the common elements. A copy of the component inventory and disclosure on the current position of funding of such reserve is available online at <a href="https://www.hshoa.info/governing-docs">https://www.hshoa.info/governing-docs</a>

The Association must adopt a collection policy and distribute it annually to owners at the same time and in the same manner that the executive board makes the budget available to a unit's owner. The Collection Policy is enclosed is also available at the link above.

In accordance with Nevada Revised Statute, the Board of Directors is making the following statements:

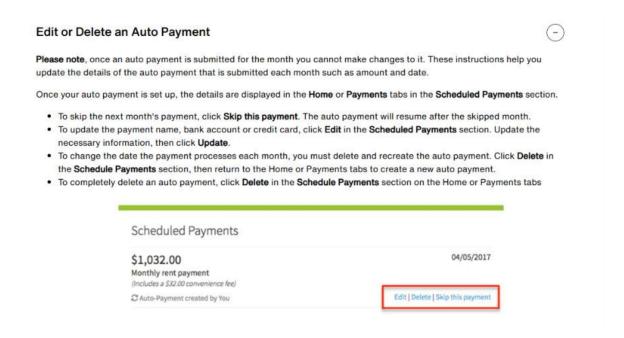
- 1. There will not be a leavy of a Special Assessments for this fiscal year.
- 2. There is an **increase** of Regular Assessments for this fiscal year, and the overall assessment will be \$280.00 a month
- 3. There **may be an** anticipated leavy for Reserve Assessments this fiscal year.
- 4. Homeowners will receive a **monthly coupon** for assessment payments in 2026.
- 5. The Reserve Fund is anticipated to be 43% funded by year end of 2026.
- 6. The Board is aware of all legal requirements pursuant to applicable laws and regulations.

The meeting of unit owners to ratify the Budget proposed for the 2026 fiscal year is scheduled to be held on **December 19, 2025 at 9:30 am.** The Budget Ratification meeting will take place virtually. Unless at that meeting a majority if all unit owners, or any larger vote specified in the declaration, reject the proposed budget, the proposed budget is ratified whether or not a quorum is present. Rejection of this budget will take a vote of 51% of unit owners. The ratified budget will take effect on January 1, 2026 pursuant to NRS 116.31151.

Sincerely, Board of Directors Hearthstone HOA

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Please be sure to adjust your auto payment to reflect the January 2026 increase to \$280.00 per MONTH. If you use the Association auto payment, please be sure to edit your current payment or delete and create a new entry. If you create a new entry and do not delete the old one, payments may be made twice.



# 2026 Budget Detail

### Hearthstone Condominium Owners Assocaition

Account Name	Total		Per Mon	th	
Income	. Otal		1 01 111011		
INCOME					
Assessments	\$	141,122.00	\$	280.00	
Expense					
EXPENSES					
SERVICE CONTRACTS					
Fire & Lifesafety	\$	150.00			
Landscape Maintenance	\$	10,920.00			
Pest Control	\$ \$ \$	660.00			
Pet Waste Removal		2,080.00			
Roof Cleaning	\$	3,000.00	\$	1,650.00	Increase to 4x year
REPAIRS AND MAINTENANCE					
General Repairs	\$	9,250.00	\$	2,050.00	Increase per actual
Landscape Repairs	\$	1,200.00			
Lighting Repairs	\$	650.00			-
INSURANCE					
Cyber Insurance	\$	990.00	\$	490.00	Increase per actual
Property and General Liability	\$	23,493.00	\$	8,993.00	Increase per actual
LEGAL AND OTHER PROFESSIONAL FEES					
Legal	\$	500.00	\$	(3,000.00)	Decrease per actual
Accounting / CPA / Audit		2,200.00	\$	1,000.00	Increase full audit required
Secretary of State Fee	\$ \$ \$	150.00	\$	100.00	Increase per actual
Ombudsman Fee	\$	179.00			· •
ADMINISTRATIVE					
Management fees	\$	9,000.00			
Postage, Copies & Office Supplies	\$	950.00			-
UTILITIES					
Electricity	\$	2,000.00	\$	440.00	Increase per actual
Water	\$	25,750.00			*No increase in conversion anticipation*
Garbage and Recycling	\$	10,000.00	\$	1,500.00	Increase per actual and overload fees
					-
RESERVE EXPENSE			_		
Scheduled Reserve Deposits	\$	38,000.00	\$	2,000.00	-
Total Budgeted Expense	\$	141,122.00			-

2025 Year End Projected Balance		\$244,000.00	
2026 Anticipated Expenditures			
	Roofs	\$	90,250.00
	Landscape	\$	37,300.00
	Asphalt	\$	35,000.00
	Landings	\$	3,200.00
	2026 Deposits	\$	38,000.00
2026 Year End Projected Balance		\$ `	116,250.00
2026 Year Recommended Balance		\$2	273,140.00
2026 Year End Funding Anticipation			43%

## Hearthstone Condominium Owners Association

www.zoom.com

**Access Code:** 938 0596 6561 **Password:** 318648

You can dial in using your phone.

United States: 669-444-9171

- 1. Establishment of Quorum/Call to Order
- 2. Homeowners' Forum Agenda Items Only
  - Each homeowner will be allowed three (3) minutes for comments/questions. This session will be limited to a total of 30 minutes.
- 3. Budget Ratification: Budget will be duly ratified unless 51% of homeowners reject
- 4. Adjournment