

NOTICE OF LIABILITY FOR VIOLATION OF DUTY

VILLA CANADA ESTATES HOA BOARD OF DIRECTORS AND PERNICANO REALTY & MANAGEMENT,

As the elected Board of Directors and professional property management you have the fiduciary responsibilities. The board of directors of community associations are charged with the responsibility of managing the affairs of the association on behalf of all the members. (Corporations Code § 7210). in accordance with C,C&Rs, Bylaws and rules. This annual assessment of \$2,040 from the previous \$1,704, an increase 19.7% began January 2024. For this increase to be legal/lawful it must comply with our DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLA CANADA ESTATES, ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION, Section 3.3 Maximum Annual Assessment. Paragraphs a), b) and c)

Raising the assessment from 142.00 to 170.00 without a vote or written assent of fifty-one percent (65 members) is in violation of:

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLA CANADA ESTATES

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 3.3 Maximum Annual Assessment.

- a) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased each year by not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.
- b) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased greater than ten percent each year by the vote or written assent of fifty-one percent (51%) of each class of Members; provided, however, that following the conversion of the Class B membership to Class A membership, the maximum assessment may be increased more than ten percent (10%) above the maximum assessment for the previous year by the vote or written assent of (i) fifty-one percent (51%) of the total voting power of Members of the Association, and (ii) at least fifty-one percent (51%) of the total voting power of Members of the Association other than Declarant.
- c) The Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

The current monthly dues of \$170.00/month do not comply with subsection a) Increasing the monthly assessments from \$142.00/month to \$170.00/month is an increase of greater than 19%, nearly double the stated up to 10% maximum assessment for the previous year without a vote of the membership.

The current monthly dues of \$170.00/month do not comply with subsection b) There was no vote or written assent of fifty-one percent (51%) of each class of Members for an increase of more than 10% above the maximum assessment for the previous year.

The current monthly dues of \$170.00/month do not comply with subsection c) The increase is in excess of the maximum.

There are 128 condominiums in Villa Canada Estates Home Owner's Association making 128 Class A members. A vote or written assent of the membership requires 51% or 65 members to vote or give written assent for an annual assessment increase of greater than 10%.

We are calling for the unlawful monthly assessment of \$170 be rescinded and replaced with the previous \$142 until a new maximum annual assessment that complies with our DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLA CANADA ESTATES, ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION, Section 3.3 Maximum Annual Assessment. Paragraphs a), b) and c) is approved.

We are calling for the revision of the budget to reflect this violation and transparency to the members in any actions taken to remedy this unlawful assessment increase, as well as the Board Meeting Minutes containing the motion to increase the monthly assessment to \$170/month and votes on the motion.

Unit # Signature _____ Date _____

