



August 15, 2023

Dear Valencia on the Lake Homeowner(s):

The Board of Directors and the Finance Committee have reviewed the Reserve Study and estimated budget expenses for 2023. Subsequently, as a result of this review, a decision was made to levy a per home Supplemental Assessment of \$250.00. To address the levying of a Supplemental Assessment as well as pending changes to the Covenants, Conditions and Restrictions (the "CCRs") and Bylaws of the Association, the Board will soon be holding an open Board meeting. Please watch your e-mail and the Association's website for more information on the upcoming Board meeting.

The Supplemental Assessment would be effective on or around September 1, 2023, and due by or before October 1<sup>st</sup>, 2023. This Supplemental Assessment will help to cover the remainder of 2023's expenses and will be beneficial in helping the Association fund its Reserve Account. The Reserve Study conducted this year revealed that a series of assessment increases would be needed over a period of time to adequately fund the Association's Reserve to cover future maintenance, repair, and/or replacement costs of Common Area assets.

**In relation to the upcoming amendment to the CCRs and Bylaws, please see the following brief outlines:**

**Section 7.1 Amendment. (as amended in the 7<sup>th</sup> Amendment to Declaration of CCRs):** allows the CCRs to be amended by Declarant at any time within twelve (12) years from the date the Declaration was filed of record with the Office of the County Clerk. Within this twelve (12) year period, Declarant may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association.

**Section 10.19 Supplemental Assessments:** The Board may levy a Supplemental Assessment against all Lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient or to fund any shortfall between Assessments collected by the Association and Association's Common Expenses, or for any other purpose to combat a shortfall in the budget as determined by the Board of Directors. The Declarant shall not be responsible or liable for any deficit in the Association's funds or any Supplemental Assessments. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

**The 8<sup>th</sup> Amendment to the CCRs proposed by the Declarant and acknowledged by the Board, are as follows. Changes will become effective upon recording of the CCR amendment in the County Clerk's Office. Sections below may be quoted only "in part."**

**Section 9.3 Acceptance and Control of Common Properties:** The Association's responsibility for all costs and expenses begins immediately after initial construction and/or installation and shall include current as well as any future Common Areas...



**Section 10.19 Supplemental Assessments:** A means to defray any unanticipated cost to the Association and/or fund any shortfall between Assessments collected by the Association and the Association's Common Expenses, or for any other purpose to combat a shortfall in the budget...

**Section 16.1 Leasing and Occupancy Restrictions:** The provisions in this amendment will define the provisions in which an owner may lease the home including, residential use only, owner may not lease the lot until the expiration of 36 months from the date of recording the deed to the lot, registration & occupancy requirements, no sex offenders allowed, Board of Director Discretion to allow for lease to commence, accounting for hardships, tenants compliance with governing documents & noncompliance and a grandfather clause...

**The following updates to the Association Bylaws will go into effect upon the filing of the 1<sup>st</sup> Amendment in the County Clerk's Office.**

**Section 2.1 Governance:** This will allow for the Board of Directors during the Declarant Control Period to expand to (5) people, allowing (1) Homeowner to be elected to the Board, and one (1) additional homeowner to be appointed by the Board or Declarant. The Board will consist of one (1) elected and four (4) appointed members. Currently, all members of the Board are appointed members, therefore, this change will allow Homeowners to elect one (1) Homeowner to serve on the Board while the other Homeowner to participate will continue to be an appointed member to the Board.

**Section 10.4 Special Rights of the Declarant:** Certain provisions are being added which shall serve to protect the Declarants rights, during the Declarant Control Period.

The upcoming Board meeting will be held Friday, August 25, 2023, at 11:00 a.m. The Board meeting notice and draft agenda will be posted on the Association's website.

Should you have any questions regarding this notice or the information contained herein, please contact Essex Association Management, L.P. by visiting your Association's website at [www.valenciaonthelakehoa.com](http://www.valenciaonthelakehoa.com) and follow the prompts to submit a web submission under the "Contact Us" tab. Copies of the CCR and Bylaw Amendments will be posted to the Association's website under the "Governing Documents" tab or Owners can request copies be sent to them via E-mail or U.S. mail from the "Contact Us" tab.

Sincerely,  
Essex Association Management, L.P., Managing Agent,  
On behalf of Valencia on the Lake Homeowners Association, Inc.

cc: HOA File