

HEATHER VILLAGE ASSOCIATION

6443 GREEN VALLEY CIRCLE
CULVER CITY, CA 90230



Dear Homeowners,

We are writing to inform you of two assessments discussed in detail and passed at the March 4, 2026, open board meeting and amended (emergency special assessment total) at the open Board meeting March 25, 2026. Both address specific financial challenges the HOA is currently facing, as described below.

1. **Emergency Assessment (\$326,779):** Covers costs that fall under the definition for being an emergency assessment, as presented in the attached resolution.
2. **5% Special Assessment (\$197,230):** Raises capital to increase the Reserve Account balances to allow for healthier cash balances in the reserve account and to cover current and future reserve projects.

Further details on each specific assessment are provided below and in the attachments in this packet.

Emergency Assessment (\$326,779)

The Board of Directors are issuing this notice to inform you that an Emergency Special Assessment has been approved pursuant to California Civil Code §5610, which authorizes associations to levy special assessments, without member approval, when certain legally defined emergency conditions exist.

We recognize that an Emergency Assessment can create financial strain and our goal is full transparency and strict adherence to California law. Members may review the attached documents provided in this packet that provide specific details on what expenses are to be covered and the rule governing such an assessment designation in the Board Resolution (attached).

This Emergency Assessment is to be shared by all unit owners in accordance with "Exhibit A: Percentage Interest in the Common Area" in the Association's CC&R's, which details the amount owed based on the unit type owned and related percentage interest held (see Attachment for your total payment amount).

We are providing the legally required 30-60 day notification of this assessment (California Civil Code §5615) ahead of these costs getting added to your May HOA monthly assessment payment ledger. **The assessment will be payable over 4 months with the first payment starting May 1, 2026, and ending August 1, 2026.**

5% Special Assessment (5% of HOA budget; \$197,230)

The Board, under its authority provided by the Davis-Stirling Act, can levy a special assessment that does not exceed 5% of the budgeted gross expenses for the current fiscal year without requiring a vote from the membership. The board has determined that it is financially prudent and necessary to issue a 5% special assessment to bolster the association's Reserve Funds.

Justification for Special Assessment's "Reserve Fund" designation

Boards have a fiduciary duty to maintain the financial integrity of the association. Courts and statutes generally allow special assessments to "replenish" or "fund" a reserve account if a reserve study indicates a shortfall for upcoming required and important major repairs or capital improvements.

1. HV's current Reserve capital accounts (two bank accounts) hold ~\$407,000 as of 3/4/2026 (at time of open discussion).
2. Heather Village's Reserve Study report (2025), most recently dated as of 12/31/2025, indicates that our reserve balances are at 15% funded of our total projected capital project needs, which is categorized as "poorly funded".

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3. There are several large capital projects that are time sensitive to complete by law or by other external demands with high financial and health implications for the association, and which increase the reserve capital demands and timeline within the next 1-3 years (i.e. repairs for balconies per City law; Soft-story retrofit, per City law; switchgear replacements, wood beam replacement).

4. The funds currently held in the reserve bank accounts combined with our low reserve study Percent Funded level indicate Heather Village has inadequate capital to carry out the known current and future major capital projects. Thus, these designated assessment funds are needed to bolster the reserve account.

This Special Assessment is to be shared by all unit owners in accordance with "Exhibit A: Percentage Interest in the Common Area" in the Association's CC&R's, which details the amount owed based on the unit type owned and related percentage interest. See Attachment for your total payment amount.

Charges for this 5% Special Assessment will be added to your May 2026 dues ledger. **Assessment will be payable over 4 months with first payment starting May 1, 2026 and ending August 1, 2026.** You may also pay the assessment quicker if you choose.

Please contact management at selman@iconrs.com with any questions.

Thank you for your cooperation and understanding as we address this urgent matter to protect the safety and financial integrity of our community.

**BOARD RESOLUTION OF THE HEATHER VILLAGE HOME OWNERS' ASSOCIATION
REGARDING EMERGENCY SPECIAL ASSESSMENT**

WHEREAS, the Board of Directors (“Board”) of Heather Village Home Owner’s Association (“Association”) is charged with the duty to maintain and repair the common areas and manage the financial health of the Association;

WHEREAS, California Civil Code Section 5610 allows the Board to impose an emergency special assessment without membership approval if the Board finds, by resolution, that an extraordinary expense is necessary for one of several specific emergency purposes;

WHEREAS, the Board has identified four critical, unforeseen, and extraordinary expenses that require immediate funding to protect the structural integrity of the property and the safety of its residents:

1. **Biological & Structural Hazard (Units 6505-103 & 6615):** The discovery of advanced fungus damage and contamination of surrounding vegetation, stumps, and soil. This condition created an immediate threat to the structural integrity of the impacted units, and possibly buildings, and required urgent remediation, including soil and vegetation stabilization, removal and disposal of organic material to prevent future area outbreaks.
Cost: \$175,567

2. **Unplanned Gas Infrastructure Failure:** A major gas leak occurred on the core gas line in late December, 2025, requiring urgent repair in January, 2026. The subsequent gas system shutoff and restoration triggered the failure of 11 gas regulators. These secondary leaks were unforeseen and required immediate replacement to restore safe utility service and to prevent ongoing external gas exposure.
Cost: \$30,160

3. **Foundation Integrity Compromise (Unit 6223):** Severe termite damage to the foundation of the townhome at 6223 was discovered, necessitating emergency shoring and structural repairs to prevent further degradation or potential structural collapse.
Cost: \$76,597

4. **Utility Infrastructure Hazard (SoCal Edison Transformer):** The main electric transformer (on the north side of the property) foundation pad was discovered to be cracked. To prevent property-wide electrical failure or fire hazard, the Association was forced to replace the damaged cement transformer pad and crypt and replace with new components. Several last-minute change orders to the plans by SCE necessitated further equipment up-sizing and added extra labor, both generating unforeseen project costs.
Cost: \$44,455.

NOW, THEREFORE, BE IT RESOLVED, that the Board makes the following **Written Findings** pursuant to Civil Code § 5610:

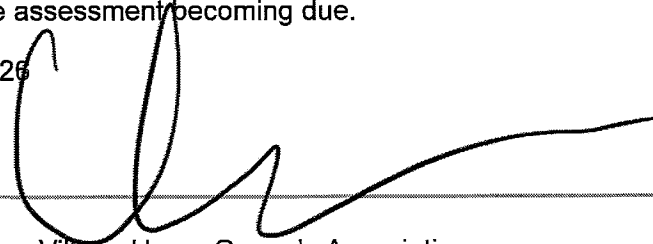
- **Necessity:** These expenses are necessary to repair or maintain the property for which the Association is responsible, where a threat to personal safety on the property is discovered and/or the repairs could not have been reasonably foreseen in the budgeting process.
- **Unforeseen Nature:** These conditions (fungus, gas regulator failure, foundation termite damage, and transformer pad) were not known and could not have been fully anticipated during the preparation of relevant budgets.
- **Funding Requirement:** The current reserve and operating funds are insufficient to cover these extraordinary costs without jeopardizing the Association's ability to meet other essential obligations and maintain adequate cash reserves.

BE IT FURTHER RESOLVED, that the Board hereby approves an Emergency Special Assessment in the total amount of **\$ 326,779.00** to be shared by all unit owners in accordance with "Exhibit A: Percentage Interest in the Common Area" in the Association's CC&R's which details the amount owed based on the unit type owned and related percentage interest, due by August 15, 2026 (can be paid for in a four month installment plan running May thru August).

BE IT FURTHER RESOLVED, that a copy of this resolution and these findings shall be distributed to all members with the Notice of Assessment at least 30 days, but no more than 60 days, prior to the assessment becoming due.

DATED: 3/18/2026

ATTEST:



Secretary, Heather Village Home Owner's Association

Unit style	Variable Factor	Assessment amount
SPECIAL ASSESSMENT MAY 1, 2026- 5% BUDGET		
2L	0.00285	\$562.11
2M	0.00235	\$463.49
2N	0.00234	\$461.52
2R	0.00206	\$406.29
2S	0.00187	\$368.82
2T	0.00261	\$514.77
2W	0.00265	\$522.66
3L	0.00322	\$635.08
3T	0.00311	\$613.39

Unit style	Variable Factor	Assessment amount
EMERGENCY SPECIAL ASSESSMENT MAY 1, 2026		
2L	0.00285	\$931.32
2M	0.00235	\$767.93
2N	0.00234	\$764.66
2R	0.00206	\$673.16
2S	0.00187	\$611.08
2T	0.00261	\$852.89
2W	0.00265	\$865.96
3L	0.00322	\$1,052.23
3T	0.00311	\$1,016.28