

Third Supplement to Memorandum 2007-55

**Statutory Clarification and Simplification of CID Law
(Material Received at Meeting)**

The following material was received by the Commission at the meeting on December 14, 2007, in connection with Study H-855 on Statutory Clarification and Simplification of CID Law, and is attached as an Exhibit:

- Exhibit p.*
- Joanne Perkins, Riverside (12/14/07) 1

Respectfully submitted,

Brian Hebert
Executive Secretary

Denied Access to our Corporation Records

Saturday, Nov. 10, 2007
By Joanne Perkins



Being elected as a Director of the Board at Canyon Creek on 9/27/2007 was productive. Protecting our property values and quality of life remains my objective. Despite the specific mandates in Corporate Code 8334 giving Directors the absolute right to review Homeowner Association records, I have been denied access to the historical data available for this Association. Owner involvement is required to determine why our fees have not adequately supported our common-areas, insurance coverage and reserves for future maintenance.

Since I purchased my unit in 2000, the Board of Directors (BOD) has failed to implement a Call for BOD Candidates in the annual election process. I forced a Call for BOD Candidates this year, which produced extreme hostility towards me from the long standing incumbent BOD. Three incumbents remain in office of our 5 person BOD and another inept Property Manager.

CMS is the 3rd management company hired by the long-standing Directors in less than the 7 years. Board Director corruption is suspected. Investigating the cause to find a cure for the reported 10% funded Reserves is impossible without the opportunity to analyze our records. Our property is 30 years old and in extremely poor condition. Hazardous living conditions are apparent.



Insurance Issues: Community and Homeowner

Inadequate CID insurance coverage is apparent based on raw sewage Special Assessments. A new Insurance Broker was hired last month but the HOA coverage remains the same. The Board's motives for remaining underinsured is questionable. To further complicate insurance matters, the BOD appointing Brian McCoy as a Director, to replace Paul Johnson who resigned. This action nullifies the Loss Assessment coverage carried with our Condominium Insurance policies. My policy is with The Automobile Club of So. CA. The highlighted line item 2b(1) below is discussing the terms and conditions for coverage. It reads: the director, officer or trustee is elected by the members of the association...

2. Under PART II - LIABILITY COVERAGES, as a result of:
- any occurrence to which provision 1, section a of WHAT LOSSES ARE COVERED - COVERAGE D, would apply.
 - liability for each act of a director, officer or trustee in the capacity as a director, officer or trustee provided:
- (1) the director, officer or trustee is elected by the members of the association, corporation or community of property owners and
- (2) the director, officer or trustee serves without deriving any income from the exercise of his or her duties which are solely on behalf of the association, corporation or community of property owners.

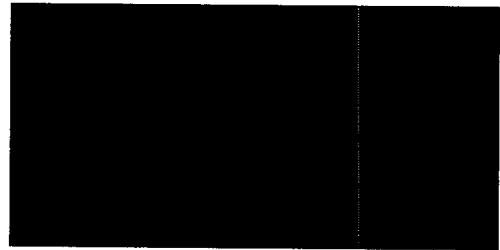
Please consider the financial risks the BOD's egregious mismanagement creates. Help me protect our investments.

This publication has not been approved by the Board of Directors of Canyon Creek HOA. Published by Joanne Perkins, Director

Hear thoughts and opinions at the
monthly meetings.
(second Tuesday of every month)

Demand to be heard Demand Answers

Our \$310 per month buys us that right. We are
Real Estate Investment Partners. I need your
support for productive change!



Please document your experiences at
Canyon Creek so we can track
deficiencies and find solutions.

Contact : canyoncreekhoa@charter.net



Canyon Creek Information:

- Our occupancy rate is approx. 51% owner, 49% tenant.
- The poor quality of workmanship by vendors and contractors is ignored by Dave Potter and the long standing Directors.
- New rule proposed by Pam, "Recording membership meetings is forbidden." I suggested using a webcam to have the meetings live on-line.
- The Meeting Minutes from the 10/9/2007 Membership meeting do not reflect the actions of the meeting.
- Neighborhood Watch Burrito/Taco Salad Bar (Potluck) is scheduled for Wed. 10/28 at 6:00pm, Canyon Crest Town Center. Contact Lisa Golden for details. neighborhoodwatchcanyoncreek@charter.net

Members, what are your thoughts?
Changes will require investors participation. I
can not do much alone. Thank you, Joanne

Board of Directors (BOD) Annual Meeting & Election Results

Tuesday, Oct. 15, 2007
By Joanne Perkins

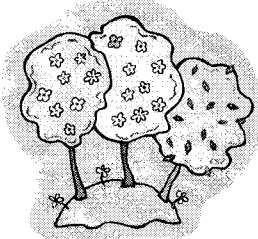
Canyon Creeks Annual Meeting has not taken place however the 48 election ballots returned did produced a couple new Directors. Listed in the order of the most votes received, the Directors are as follows: Shawna Stockberger, Carolynn Holman, Paul Johnson, Joanne Perkins and Pam Petix.

The Sept. 13th scheduled meeting lasted less than 15 minutes. The required election quorum of 2/3 Homeowner participation in the voting process was not met (85 ballots were needed). The Annual Meeting and Election was re-scheduled for Sept. 27th. The owner participation requirement dropped to a 1/4 quorum to complete the election process (32 ballots needed). A total of 48 out of 128 ballots were received.

At both member meetings, Pam Petix, BOD President at the time, announced that the Annual Meeting would not be conducted at that evening. At no time were BOD candidates invited to address the membership present at the meetings. A Candidate's Forum to meet and ask questions was not conducted. The election process defied Canyon Creek's policies and is unacceptable if Owners are interested in their real estate investment.

Joanne Perkins is in the process of investigating viable solutions to overcome Canyon Creek's near bankrupt financial status and unsafe living conditions. She has been communicating with Ward 2 Councilman Andy Melendrez for several months. Because Homeowners Associations are private property there is little, at this time, that can be done to assist in this HOA quagmire.

The Councilman has suggested that a large group of Canyon Creek Homeowners and residents attend a City Council meeting to express collective concern over the failing major systems and critically low reserves. The City Council needs motivation from city residents before Councilman Melendrez's shared concerns will be taken seriously by our City governed resources. Riverside City Council meets every Tuesday at 6:30pm.



2 Pools and 2 Spas Canyon Creek Amenities

Tuesday, Oct. 15, 2007
By Joanne Perkins

Brilliance Pool and Spa Service has completed a considerable amount of work on our pool and spa systems. They were contracted to service our pool and spa amenities a few years ago.

During that time, the pool heaters were removed and the plumbing that supports the heaters was re-directed. The consequences of that action will increase the costs to replace the heaters.

Two heated pools are defined in Canyon Creek HOA original property description. Removing amenities without owners consent qualifies as miss-conduct. Owners would need to protest the actions of the BOD get back their amenities.

Other work conducted on the spa system at Section 6 remains questionable. Missing components and using non-waterproof sealing products is less than desirable on community systems. Brilliance's sloppy workmanship includes secured wiring conduit to the stucco and fence with framing clips. The clips are intended for use inside of walls.

There is a debate between Dave Potter and Joanne Perkins over a spa leak and the installation of a water level gauge. The water level and function of the spa continues to be unstable regardless of the debate.

There is concern the chronic leak will cause the slope below the spa to become saturated and cause a mud slide. There are six units located directly below the Section 6 spa that remain 'at risk' until the defects are identified and repaired..

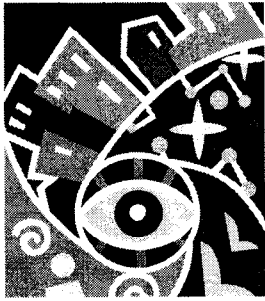
Canyon Creek at Riverside Homeowners Association 128 Equal Shareholders

Historically, the BOD has spent **30 hours a year** managing HOA funds w/o committee assistance.

The adverse consequences are apparent!

GET INVOLVED!

PROTECT YOUR INVESTMENT



Neighborhood Watch

Contact Person:
Lisa Golden #303
(951)742-7123
goldenla510@yahoo.com

'Emergency' Dial 9-1-1

**Report anything suspicious so the Riverside Police Department can track undesirable activity
Business Office 951-787-7911**

On Oct 3rd, Canyon Creek held a neighborly meeting to discuss coordinating a Neighborhood Watch program for our community. The thoughts and ideas presented by a semi-retired Riverside Police Officer John Start and Representative Shene Turner was well received by our residents.

Nineteen families were in attendance. It was agreed that quarterly meetings would be sufficient to stay to touch and informed. The meetings will Canyon Creek real-time crime statistics, presentations and open discussions about safety and crime prevention strategies for Canyon Creek. Officer John Start provided his personal cell phone number to those in attendance and committed to an active role for every Neighborhood Watch participant.

It was proposed that a Saturday morning walks take place to help neighbors to get acquainted with each other and our Canyon Creek property. The first Neighborhood Walk is set for Oct. 20th, 10:00am at the corner of Canyon Creek Dr. and Big Canyon. Lisa Golden, Canyon Creek resident and Neighborhood Watch coordinator invites everyone, "Come out and meet your neighbors and get some exercise. We hope to make the Neighborhood Walk a weekly event.

Many thanks to Lisa Golden for coordinating and hosting the Neighborhood Watch. Please contact Lisa with your e-mail, address and phone number to be added to the notification list. The list will be used in the event of a crime residents need to be made aware of in our area. Similar to a phone chain, except e-mail will be used when possible.

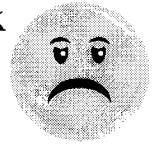
TO-DO's

Just because it is a good idea.

- Replace the battery in your smoke detectors.
- Replace your heater filter.
- Learn three of your neighbors names.
- Attend a HOA meeting.



Canyon Creek
Web Site



YES or NO

Coming Soon Or Not?

A cost free web site to communicate and monitor our HOA community leadership and maintenance dollars at work was proposed by Joanne Perkins. The BOD was less than agreeable, at best.

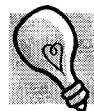
- Monthly Updates
- Pending Projects
- Projects in progress
- Report a problem
- Message Board discussions
- E-mail notification and more!

Send your thoughts and opinions to: jp_canyoncreekhoa@charter.net

Warning :

**We live near a wilderness area.
Stay alert; watch out for wild animals.**

Let there be light



By: Joanne Perkins

Our community has security lighting throughout. Residents should expect to have lighted walkways and parking areas near their homes.

I was surprise when arriving home after dark this week. A light at the end of our bank of garages was illuminated. Yeah! I did not know there was a light there. I did know the walk to my condo was dark.

The Board asks that CMS. Canyon Creek's Condominium Management Service, be notified of lighting problems. See Contact information on the next page of this communication.



CONDOMINIUM MANAGEMENT SERVICES

675 West Foothill Blvd. #104
Claremont, CA 91711

Dave Potter (Business Agent)

Toll Free (800) 350-3103

Voice (909) 399-3103

Fax (909) 398-0178

E-mail dave@cmsmgmt.com

www.cmsmgmt.com

New Board of Directors:

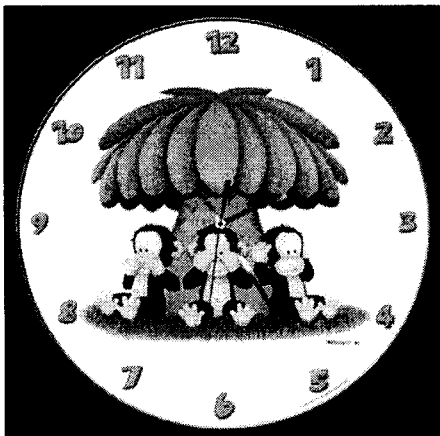
President	Paul Johnson (Resigned 10/9/2007)
Vice President	Pam Petix
Secretary	Carolynn Holman
Treasure	Shawna Stockberger
Member-at-large	<u>Joanne Perkins</u>
(Ombudsperson)	<u>canyoncreekhoa@charter.net</u>

BOD-Member Meetings are on the 2nd Tuesday of every month. Contact CMS for the location.

E-mail Correspondence: It's free, it is instant documentation and an efficient tool for property management.

IT IS WHAT IT IS! It is time to figure things out folks, before someone gets injured or killed due to our current high level of risk, as noted in our Reserve Study.

Why has our HOA funds failed to support our property maintenance and insurance coverage appropriately?



HOA Renamed by State

CID = Common Interest Development

As of July 2006, CID is the new acronym used to describe Home Owners Associations in California.

Pertinent Points By Joanne Perkins

Thank you electing me to the Canyon Creek Board of Directors on 9/27/2007. I purchased my condo in 2000 and became concerned with Canyon Creek's poor property conditions in 2002. Ever since that time, I have tried to penetrate the hostile leadership of this Homeowners Association, without success.

As your new Board Director, my commitment is to the membership and residents of Canyon Creek HOA. The past BOD hostility remains, directed towards members, tenants and myself. However, I believe the facts and statistical data will force the much needed change to the processes and procedures previously used to manage HOA funds and this property.

Please send me your thoughts.

Joanne Perkins canyoncreekhoa@charter.net

- A \$60K+ 3 year contract was approved by the previous BOD on 8/22/07. The contract does not define the terms or conditions of the work to be completed. Just days after the 'bid/contract' was approved, Dave Potter writes a letter, asking the service provider when they plan on starting the work. Our HOA is charged by CMS for writing letters.
- CMS does not track owner or residents incoming calls or correspondence. Additional charges would be imposed for this service, according to Dave Potter.
- Reviewing Canyon Creek records requires additional CMS staff and storage fees, according to Dave. The hostile BOD voted that all costs incurred to review our records be at the expense of the Director (me) requesting the opportunity to review Canyon Creek records. AKA: What are they trying to hiding? jp
- Thirty hours a year designated to properly disburse \$500,000 annual HOA funds? Think about that! Twenty-four of those hours prohibits open discussion among Directors due to the 2 hour membership portion of monthly meetings. That leaves 6 hours a year for open discussion among Directors; even that is cut off with I move motions and a quick second which instantly closes discussion. Not ok, not on any level. jp

These are just a few examples of the multitude of problems Canyon Creek faces. Details are available upon request. jp
10/9/2007 BOD Meeting Minutes should follow. As of 10/19/2007 they are not available. Hummmm?

Dear Canyon Creek Home Owner,

My name is Joanne Perkins. I am a member of the Home Owners Association (HOA) and have been an owner at Canyon Creek for seven years. I have observed and reported alarming deterioration of our Canyon Creek property. Our Board rejected me and my concerns. Scheduled maintenance has been neglected over the years resulting in high cost emergency repairs and extensive secondary damage. Property emergencies and structural damage will continue to escalate unless restoration arrangements are implemented. I am a Director now and the Board continues to reject me and my concerns. I just wanted to let you know that I do not support CMS, Dave Potter's performance or the reckless administrative decisions and covert tactics of this Board of Directors.

I am confident you have noticed that our water supply is shut-down often for plumbing emergencies. Each Condo building has a local water shut-off valve. All of the shut-off valves should have been replaced when the first one failed due to deterioration years ago, as one example of scheduled maintenance and continuity. Our pools are discolored and missing the heaters. Our spas are crumbling and all are dirty more often than not. Raw sewage, broken trees, road degeneration, termites, mold, exterior paint, handrails, side walks... to name a few of many neglected maintenance issues with high risks and costly consequences for Residents and Owners.

Canyon Creek HOA property remains under insured and the Directors have not allowed the topic to be discussed. I consider adequate HOA insurance coverage a major priority. Frankly, no discussion is allowed at our Board Meetings and nothing productive is getting accomplished. There are no cross-checks on account receivables. No checks-and-balances on anything and quality controls do not exist. I have been documenting my Board of Director suggestions, thoughts and opinions from items listed in the monthly Management Reports and e-mailed the information to Dave Potter and the other Directors before and/or after each meeting. (Available upon request.) Hopefully something positive will result from my efforts. This situation is not insurmountable but it will not fix itself.

Dave Potter and the other Directors have decided to charge me labor and storage costs to access to our HOA records. I would like to make Board decisions in an informed manner and be familiar with the affairs of this community but having to purchase information is absurd. CA Corporate Codes section 8334 gives elected HOA Directors the absolute right to review our HOA records as often as needed. Canyon Creek HOA members can demand that the Board release our records to Director Joanne Perkins for review. The data will be utilized to formulate viable solutions to our depressed property value.

The 'No Recording Member Meetings' rule the Board slipped in recently should be alarming to owners. I proposed a webcam and live broadcasting of our HOA meetings on a Canyon Creek web site, complete with zero HOA costs. Instead owners are forced to fund the ugly secrets of poor leadership decisions. No recording, no newsletter, no web site, no meeting place or way for owners to stay informed about their investment. Is this an acceptable business arrangement? Additionally, the Boards poor collections practices over the years forced Canyon Creek HOA to write-off thousands of dollars in uncollectable debt last month. The new (? Revised 1/06 but not Effective until 1/08 ? collection policy letter we all received in the mail was news to me but the letter indicates I participated in its adoption.

The deceit and deceptions are apparent and will continue without structure and accountability. Our HOA is in major financial trouble and the Board has no plans to improve our circumstances. I encourage you to question the Boards intentions and track our HOA funds at the monthly HOA Membership Meetings on the second Tuesday of every month. This month is Tuesday, Dec. 11th @ 6:30pm, laundry room #6. Please keep in touch. Thank you.

Sincerely,

Joanne Perkins
600 Central Ave. #390
Riverside, CA 92507
joanneperkins@charter.net
(951) 505-1094



PUBLIC INQUIRY UNIT
P.O. BOX 944255
SACRAMENTO, CA 94344-2550
(916) 322-3360
TOLL FREE: (800) 952-5225
TTY: CA Relay Service
(800) 735-2922

November 27, 2007

PIU: 193317

Ms. Joanne Perkins
600 Central Avenue #390
Riverside, CA 92507

RE: Canyon Creek at Riverside Condominium Association

Dear Ms. Perkins:

Thank you for your letter to the Attorney General's Office regarding a non-profit mutual benefit corporation.

The California Attorney General has the discretionary power to enforce certain prescribed rights of members. This provision is contained in the California Corporations Code section 8216. After carefully evaluating your letter, we must decline involvement by our office. Your letter does not recite a violation of California law that is enforceable by the Attorney General's Office.

In handling homeowners' association complaints, we start with the general premise that the Attorney General's constitutional mandate focuses upon the representation of state officials and state client agencies or matters of harm to the general public and that this office cannot represent private individuals in civil disputes. Disputes that residents have with their homeowners' associations largely involve civil disputes over services, maintenance, development rules, accountability for common interest assets, or improper activity by elected board members. Most of these complaints are, in fact, civil disputes in which the Attorney General has no statutory authority to intervene.

The California Attorney General has the discretionary authority, under Section 8216 of the California Corporations Code, to institute an action or proceeding against a non-profit mutual benefit corporation in order to enforce the prescribed rights of members.

The board of directors of the association, however, hires property managers. Therefore, the task of monitoring, and potentially replacing a property management company, resides solely in the hands of the board. You may wish to bring your concerns to the attention of the board that can review the management company and take appropriate action.

Unfortunately, this office has no legal authority to enforce the Davis-Stirling Common Interest Development Act, which regulates common interest developments. For this reason, we must respectfully decline to be of direct assistance to complainants whose disputes are outside our jurisdiction. The Davis-Stirling Act does, however, provide viable private civil remedies for aggrieved members of common interest developments to pursue through the courts or other dispute resolution mechanisms, such as mediation. Accordingly, if you believe any of your rights under this act have been affected, we would advise you to seek private legal counsel to pursue those rights.

From the information contained in your correspondence, your complaint appears to be a private civil matter. The California Attorney General's authority to appear in court is limited by law. He is authorized to represent the State and state-government officials. Legal actions presented to the courts are on behalf of the collective legal interests of the people in California.

November 28, 2007

Page 2

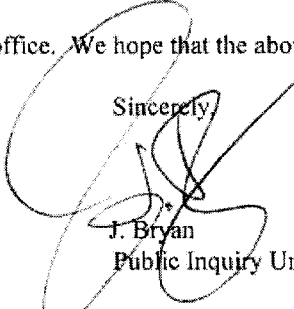
The Attorney General is prohibited from representing the private legal claims of members. If your interest in the association is suffering due to poor management, misappropriation, or negligent handling of corporate assets, we can only suggest that you contact a private attorney who could directly represent your concerns.

If you suspect criminal activity, such as fraud, theft or embezzlement on the part of the board of directors or individual officers, contact your local district attorney. California law gives primary discretionary authority to the locally elected prosecutor in filing criminal actions. The decision to file criminal charges rests with local authorities and the Attorney General is not prepared to supersede the local agency.

The Attorney General does retain copies of complaints received, and continually reevaluates the needs of the State of California based on the information received from concerned citizens. Be assured that your complaint will be kept in our files, and if we need additional information in the future, we will contact you.

Again, thank you for your letter to our office. We hope that the above information has been of service to you.

Sincerely



J. Bryan
Public Inquiry Unit

For EDMUND G. BROWN JR.
Attorney General