

**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING
April 4, 2018, 5:30 PM**

Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

WELCOME

Thank you for attending. This is a business meeting, open to members of the Nepenthe Association and guests of the Board. The primary purpose of the meeting is to ensure that the Association is meeting its responsibility to maintain the property and to serve homeowners.

Two three-ring binders with supporting documentation for agenda items are available in the room for homeowner use. Please share them. The packets are always available in the office at least four days prior to Board meetings.

Please silence all electronic devices. These proceedings may be recorded to assist with the preparation of minutes. The Board appreciates your cooperation.

As the Board moves through the agenda, members may comment or ask questions about any agenda item during the two homeowner forums. Please address all comments or questions to the chair. The Board will be unable to accept comments or questions from the floor during its deliberations.

OPEN SESSION AGENDA

I. CALL TO ORDER

Present	Arrival	Board Member	Positon	Departure
		Steve Huffman	President	
		Frank Loge	Vice President	
		Linda Cook	Secretary	
		Christina George	Treasurer	
		Craig Price	Member at Large	

II. SPECIAL ORDER ITEMS:

a. INVITED GUEST: JOHN MCNERNEY RE: TURKEY POPULATION

John McNerney is the Wildlife Resource Specialist for the City of Davis. He will provide the Board with information and resources related to the turkey population in Nepenthe. This is a follow up to last month's Board meeting item.

Action required: Board discussion

b. INVITED GUESTS: CITY OF SACRAMENTO ENGINEER RE: WATER METERING Pages 7-11

Michelle Eckerd, engineer with the City of Sacramento recently met with management to discuss the installation of water meters in Nepenthe as mandated by the State of California. The City Code 13.04.305 concerning water meter installations within Common Interest Developments is enclosed in the Board packet. Per this code, there will be certain requirements made of Nepenthe Association in order to install individual meters at each unit. Michelle will provide the Board with answers to questions about these requirements and the potential costs to the Association.

In 2016, the Board of Directors voted to request individual meters. At the time that decision was made, it was not clear what the actual physical requirements would be. In light of the potential costs and disruptions to the community, the directors will revisit this decision.

Action required: Board resolution

Proposed resolutions:

Option 1: The Board hereby resolves to instruct the City of Sacramento to install individual meters at each address within Nepenthe. The association will undertake necessary pipe exposures and improvements as required by the City. The association will also record necessary easements for the utilities as required.

Option 2: The Board hereby resolves to instruct the City of Sacramento to install meters at the points of entry from the public water system to the private association-owned water system. The cost of water will be borne equally by the owners in their assessment payment to Nepenthe.

c. **ENFORCEMENT HEARING Pages 12-29**

The owners of 2312 American River Drive are the owners of a red recreational vehicle, license # 7ZHA356. The association management sent them a notice in October 2017 informing them that CC&R Article III, Section 3.3.a prohibits recreational vehicles from being parked, stored or kept on the streets of the development and asked them to find alternative storage for the vehicle.

The owners sent a letter back to the manager stating that the vehicle is not a recreational vehicle, but a multi-use van that does not fit in the garage.

The Board sub-committee appointed to address parking issues within the community took some time to investigate the owners’ claims before responding. On January 26, 2018, the manager sent a return letter stating that after investigating the owners’ claims, they reached the conclusion that the vehicle in question is indeed a recreational vehicle based upon California Civil Code and California Health and Safety Code. The letter advised the owners to find alternative storage by February 13 to avoid further enforcement action which could include a hearing and the assessment of fines in accordance with the adopted Fine Schedule.

The vehicle continued to park on American River Drive and on March 1, an invitation to hearing before the appointed subcommittee of the Board was mailed to the owner. The hearing date was set for March 13 at 2:00 pm. All of the above named documentation is included in the Board packet.

The homeowners arrived with another homeowner who asked to attend the hearing. The hearing subcommittee prefers to meet only with the homeowners in question as homeowner confidentiality is a priority for the directors. The homeowners were offered the option of having the hearing held in Open Session so their neighbor might attend to which they agreed.

Just as the homeowners must abide by the CC&Rs, so must the directors. To permit the homeowners to park their recreational vehicle within the development, the directors would need to grant a variance from the CC&Rs which can only be done by following certain protocols.

The CC&Rs state that before the Board can consider granting a variance from any of the Association’s use restrictions as described in Article III, they must provide notice to the owners

living within 100 feet of the requesting homeowner. The enclosed letter was mailed to the affected owners.

To grant such a variance, the directors must make a good faith written determination that the variance is consistent with one or more of the following criteria:

1. The requested variance will not constitute a material deviation from any restriction contained herein or that the proposal allows the objectives of the violated requirements to be substantially achieved despite noncompliance; or
2. That the variance relates to a required land use restriction or minimum construction standard otherwise applicable hereunder that is unnecessary or burdensome under the circumstances; or
3. That the variance, if granted, will not result in a nuisance to or be a material detriment to any other Lot or Common Area within the Development.

See Article IV, Section 4.14 of the Third Restated and Amended CC&Rs for more information.

The directors will review the submitted documentation, hear from affected owners and discuss the matter to determine the appropriate enforcement action.

Enforcement correspondence	Pages 12-24
Correspondence from other homeowners.....	Pages 24-29

Action required: Board resolution

III. ANNOUNCEMENTS

- a. **Executive Session Disclosure:** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on April 4, 2018 in order to consider matters relating to personnel, contract negotiations, legal matters and member discipline.

IV. COMMITTEE REPORTS

- a. Architectural Review Committee **Pages 30-31**
- b. Finance Committee verbal
- c. Grounds Committee..... **Pages 32-33**
- d. Insurance, Legal and Safety Committee..... **Pages 34-36**
- e. Outreach Committee..... verbal
- f. Board Sub-committee on Parking verbal
- g. Ad hoc Committee on the Underground..... **Pages 37-41**

V. MANAGEMENT REPORT Pages 42-63

- a. Report..... Pages 42-45
- b. March Nepenthe News Pages 46-51
- c. Grounds Zone Walk Expenses Pages 52-53
- d. Private street daytime parking notice..... Page 54
- e. Private street guest and contractor placards..... Pages 55-58
- f. Master Calendar Pages 59-63

VI. HOMEOWNER CORRESPONDENCE (Listed alphabetically by last name) Pages 64-76

VII. HOMEOWNER FORUM

In accordance with California Civil Code Section 4920(a), the Association must post or distribute the agenda for Regular Session Meetings no fewer than four (4) days prior to a Regular Session Meeting.

During Homeowner Forum, items not included on the agenda that are raised by homeowners may be briefly responded to by the Board and/or Management; however, no action may occur with respect to that item unless it is deemed an emergency by the Board of Directors and developed after the agenda was posted and/or distributed. The Board of Directors may refer informational matters and direct administrative tasks to Management and/or contractors. Each homeowner will be given three (3) to five (5) minutes to speak in accordance with the Open Meeting Act, California Civil Code 4925(b), or a total of twenty (20) minutes will be granted for all to address the Board of Directors regarding items of interest or concern.

- VIII. CONSENT CALENDAR** In an effort to expedite the Board meetings, Management has placed several business items on a Consent Calendar. Please review the items prior to the meeting so that you may have your questions answered in advance. Action required: Board Resolution.

Proposed Resolution: The Board approves Consent Calendar items A to F as presented.

<i>Begin Consent Calendar</i>

- a. **Approval of Minutes March 7, 2018 and March 9, 2018 Open Session Minutes** **Pages 77-83**
 Proposed Resolution: The Open Session minutes dated March 7 and March 9, 2018 are approved as presented.
- b. **Financial Statement: February 2018** **Pages 84-95**
 Proposed Resolution: The Board accepts the February 2018 interim financial reports and bank reconciliations as presented, subject to annual review. The reports reflects a negative year to date variance of \$14,361 and reserve funding of \$359,271 compared to the reserve funding budget of \$351,982 The reserves are funded through February 2018. The Association has \$294,795 in operating funds, which represents 1.01 months of budgeted expenses and reserve contributions. The Association has \$6,207,381 in reserve funds.
- c. **Accept 2017 Annual Financial Review by CPA Paula Hegner** **Pages 96-106**
 Proposed Resolution: The Board accepts the 2017 Annual Financial Review and directs management to distribute it to the membership in conformance with California Civil Code 5305.
- d. **Appoint member to Grounds Committee**
 Homeowner Valerie Layne has submitted an application to serve on the Grounds Committee. She has also agreed to abide by the Nepenthe Conflict of Interest Policy.
 Proposed Resolution: The Board hereby appoints Valerie Layne, member in good standing to the Grounds Committee.
- e. **Lien Resolution**..... **Page 107**
 Per the enclosed Resolution dated March 19, 2018, Management is requesting authorization to place liens on the following accounts should the delinquent assessments not be paid within the time period established in the Intent-to-Lien letter.

Account Number	Past Due Amount
2017-01	\$976.00
2041-03	\$976.00
2356-01	\$976.00

2431-01	\$976.00
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f. **Architectural Applications**

The Architectural Review Committee met on March 13, 2018 to review the applications listed below. The applications are in a binder on the directors' table.

Proposed Resolution: The Board confirms the recommendations of the committee.

	<i>Address</i>	<i>Application for</i>	<i>Recommendation</i>
1	1117 Commons Dr.	Windows	Approval
2	506 Elmhurst Cir.	Window Replacement	Approval
3	705 Elmhurst Cir.	Solar Panels	Approval
4	1400 Commons Dr.	Windows	Approval
5	1333 Commons	Windows	Approved

End Consent Calendar

IX. UNFINISHED BUSINESS

a. **711 Elmhurst Cedar Tree**

At last month's open session, the Board authorized Arborist Paul Dubois, of The Grove Total Tree Care to apply for a permit to conduct exploratory root excavation to ascertain whether roots may be damaging the foundation of the home.

As of the preparation of this agenda, Mr. Dubois has received permission from the City to do the root excavation. He and his crew are scheduled for Tuesday, April 3 to conduct the excavation and document the root activity.

No action- report only.

X. NEW BUSINESS

a. **Report from Board regarding contract for roof repairs**

CM2 was retained by the Board to inspect the roofs, prepare report and scope of work for necessary repairs, and oversee the bidding process and subsequent work. The bids will be reviewed by the directors in Executive Session on April 4. Should a proposal be approved, it will be announced at the Open Session.

Action required: No action- report only

b. **Review annual report by Insurance Agent, Ryan DeShong Pages 108-110**

The enclosed inspection report was conducted in conformance with Nepenthe's Standards and Practices for Insurance. The report was first reviewed by the Insurance, Legal and Safety Committee. Their recommendations are in their minutes. Management will be obtaining pricing for remediating the trip hazards which will be presented to the Board next month.

Action required: No action – report only

- c. **Review proposed locations for four benches within the community Pages 111-135**
In accordance with the adopted Standards and Practices for Benches, the Board will review and tentatively approve the locations for the installation of the next four benches in Nepenthe.

A map showing the locations of the previously installed benches and the proposed locations for the next four benches is enclosed as is the proposal from Wausau and the Standards and Practices for Benches.

Map Page 111
Proposal..... Pages 112-113
Standards and Practices for Benches Pages 114-135

Action required: Board resolution

Proposed resolution: The Board approves the purchase of four Wausau benches for a price of \$5,575.55 payable from Reserves which has an allocation of \$8,615. The Board also approves the tentative locations (1. West of 14 Adelphi, 2. West of 2270 Swarthmore, 3. West of 901 Elmhurst, 4. West of 208 Elmhurst) for benches and directs management to place signs at the locations for homeowner comment before final approval on May 2, 2018.

XI. HOMEOWNER FORUM

In accordance with California Civil Code Section 4920(a), the Association must post or distribute the agenda for Regular Session Meetings no fewer than four (4) days prior to a Regular Session Meeting. During Homeowner Forum, items not included on the agenda that are raised by homeowners may be briefly responded to by the Board and/or Management; however, no action may occur with respect to that item unless it is deemed an emergency by the Board of Directors and developed after the agenda was posted and/or distributed. The Board of Directors may refer informational matters and direct administrative tasks to Management and/or contractors. Each homeowner will be given three (3) to five (5) minutes to speak in accordance with the Open Meeting Act, California Civil Code 4925(b), or a total of twenty (20) minutes will be granted for all to address the Board of Directors regarding items of interest or concern.

XII. NEXT MEETING: Wednesday, May 2, 2018 at 5:30 pm in the Nepenthe Clubhouse

XIII. ADJOURN

Sacramento City Code							
Up	Previous	Next	Main		Search	Print	No Frames
Title 13 PUBLIC SERVICES Chapter 13.04 WATER SERVICE SYSTEM Article III. Water Meters							

13.04.305 Conversion to metered connections for common interest developments.

A. If an existing unmetered water service connection in a common interest development is changed to a metered connection, the meter shall be installed on the existing connection. If the water service connection serves more than one separate interest, the department may install within the development's private water distribution system separate water meters for each separate interest, if requested by the association managing the common interest development and the owners of the separate interests and the director determines that it is feasible and appropriate to do so:

1. Provided that the association and owners, at no cost to the city:
 - a. Locate and expose those portions of the development's private water distribution system where the separate water meters would be installed as may be required by the director to determine whether it is feasible to install separate water meters,
 - b. Install all piping and other improvements required by the director to install separate meters, and
 - c. Convey to the city all easements or other property rights required by the director for installation, operation, maintenance, repair, and replacement of the separate meters and the meter boxes containing them; and
2. Subject to such other terms and conditions specified by the director.

B. If an existing unmetered water service connection serves more than one separate interest in a common interest development that does not have an association, the director may require that the owners of all separate interests in the common interest development, at no cost to the city, and as a condition of continuing to receive city water service:

1. Locate and expose those portions of the development's private water distribution system where separate water meters would be installed for each separate interest;
2. Install all piping and other improvements required by the director to install separate metered water service connections for the separate interests; and
3. Convey to the city all easements or other property rights required by the director for installation, operation, maintenance, repair, and replacement of the separate meters and the meter boxes containing them.

C. The department's installation, operation, maintenance, repair, or replacement of separate water meters and meter boxes within a common interest development's private water distribution system shall not create or impose on the city any responsibility or liability of any kind for the condition, operation, maintenance, repair, or replacement of any portion of the private water distribution system.

D. As used in this section, the terms "association," "common interest development," and "separate interest" have the meanings specified in Section [13.12.010](#). (Ord. 2015-0011 § 5; Ord. 2013-0014 § 13)



February 20, 2018

Nepenthe Association
1131 Commons Dr.
Sacramento, CA 95825

DOU Doc #: 180055/ME

Please Respond by: March 16, 2018

RE: Common Interest Developments

Located at: Nepenthe

Project: Z91 (Townhomes/Condos WMR)

Dear HOA,

The City of Sacramento Department of Utilities is installing water meters on existing water services throughout the City, as mandated by California law. Our records indicate there are currently 59 water service connections for your condominium or townhome development (development). In accordance with state law and City Code, a meter will be installed at the point of service (typically at the property line) for each of these connections. However, your development may request water meters to be installed within the private water distribution system to serve separately-owned units.

Prior to the installation of the water meter(s), we are offering you the opportunity to determine if installing water meters within your development's private water distribution system is feasible and desired by the development. There are two potential options:

- 1) Install a water meter at each of the development's water service connection(s) to the City's distribution system, or
- 2) Install water meters within the development's private water distribution system to serve separately owned units. This option is only feasible if the development is able to satisfy conditions such as installing pipeline improvements and conveying easements to the City.

The above options are further described on the back of this letter. We would like to schedule a meeting in the next three weeks to discuss these options in person. The City requests that you indicate your development's preference within 45 days after our initial discussion/meeting so that we may proceed with your meter installation in accordance with the deadlines established by City Council. If no response is received, the City will proceed with installing the meter(s) on the existing water service connection(s).

Please email watermeter@cityofsacramento.org, or contact Michelle Eckard at (916) 216-7366 to schedule a meeting or if you have any questions.

Thank you for your assistance on this very important project.

Sincerely,

Marc Lee

Senior Engineer, Accelerated Water Meter Program Manager
City of Sacramento, Department of Utilities



Español | 中文 | Tagalog | Tiếng Việt | Hmoob | Русский

Option 1: Installing Meters at the Development's Water Service Connection to the City's Distribution System

The quantity and location of the water service connection(s) were established during the construction of the property. The point of service connection is located where the City's water distribution pipe connects to the customer's private water service.

City Code section 13.04.220 allows the association managing the development to assume responsibility for paying the metered water service bill. Under this option the association is responsible for allocating this cost to, and collecting this cost from, the homeowners. The City recognizes that some associations may be unable or unwilling to assume responsibility to pay for the metered water service. For this reason, the City is working on establishing, by ordinance or resolution of the City Council, the method for allocating the metered usage directly to the unit owners responsible for paying their portion of the water bill.

Option 1A - Association Allocated Metered Billing

When metered billing begins, the association managing the development will be billed for the metered water service and be liable for payment of the monthly service charges and usage (see City Code §13.04.220). The association is responsible for allocating the monthly service charges to the individual units and collecting from the individual owners. In some cases, changes to the association's governing documents may be needed to provide necessary authorizations for the allocation and collection of charges.

Option 1B - City Allocated Metered Billing

When metered billing begins, each separately owned unit will be billed for the water service and be liable for payment of the monthly service charges and usage. The metered rate will be divided in accordance with the allocation method that is to be established by ordinance or resolution of the City Council (see City Code §13.04.220).

Option 2: Installing Water Meters within the Private Water Distribution System for Separately Owned Units

The City recognizes that in some developments, it may be possible to install water meters on plumbing lines dedicated to individual units. For this reason, the City Code provides Option 2: the development may request the installation of water meters for each separately owned unit, if it is feasible to do so.

To implement this alternative, City Code §13.04.305 requires the development to satisfy the following conditions at no cost to the City:

1. Expose the proposed meter location and perform any re-plumbing or other work on the development's private water lines in order to allow the City to install individual meters at each unit; and
2. Convey to the City the necessary easements allowing the City to install, operate, maintain, repair, and replace the individual meters located on the private water lines (see City Code §13.04.305 for more details).

The development is responsible for the performance of any work needed to provide adequate separate service pipes for each unit and any common areas, and expose the water piping for each meter location prior to the meter installation by the City.

Both conditions must be fulfilled prior to the City's schedule for installing the meter(s) for the development.

Meter box in the landscape



Meter box in the sidewalk



Nepenthe's meters would be placed in the asphalt in the alley near each owner's exterior water pipes.

Nepenthe Association
C/O Onsite Nepenthe
Club - 1131 Commons Dr
Sacramento, CA 95825
Ph: 916-929-8384
Fax: 916-929-1773



October 9, 2017

BRYANT WILLIAMS / COLLEEN WILSON
2312 AMERICAN RIVER DR
SACRAMENTO CA 95825 USA

RE: Vehicles - Courtesy Notice
2312 American River Dr / Customer ID #: NEPEN-1972-03

Dear Bryant Williams & Colleen Wilson :

As a member of Nepenthe Association, we appreciate you working hard to keep the community an attractive and enjoyable environment. We are writing to ask for your assistance with an item that recently came to our attention.

Item: Vehicles - Recreational Vehicle

Comments: Nepenthe homeowners have agreed that recreational vehicles will not be parked or stored within the development or on the streets. Please see CC&R Article III, Section 3.3.(a) Parking Restrictions. Please find alternate storage arrangements for your Winnebago Touring Coach, License plate 7ZHA356.

You may have been unaware that this is a matter which requires your attention. It is our intention to continually strive for improving the community's value so Nepenthe Association is recognized by residents and visitors alike as a great place to live. If you have already taken care of this concern, please accept our thanks and disregard this letter. If not, please have this matter corrected by October 24, 2017. If you find there are circumstances preventing you from addressing this item by the date indicated, please do not hesitate to contact Bettsi Ledesma at 916-929-8384 or bettsi.ledesma@fsresidential.com to discuss a reasonable timeframe to complete this request.

Your community spirit is greatly appreciated.

Sincerely,

Bettsi McComb, General Manager
Nepenthe Association

Bryant Williams and Colleen Wilson
2312 American River Drive
Sacramento, CA 95825

October 16, 2017

Bettsi McComb
Nepenthe Association

Dear Bettsi McComb,

I am in receipt of your letter asking us to store our "recreational vehicle" off site, and need to take this opportunity to clear up several misconceptions.

We do not own a recreational vehicle. We do own a multipurpose van as one of our two autos. This vehicle is registered with the CA DMV as an automobile and categorised by them as a van conversion. This is not a motorhome built on a van or truck chassis nor is it a camper added to the back of a pickup truck. It is a Dodge Ram van that has had features added without changing the body or size of the van.

This van has a gross vehicle weight under 10,000 pounds and is classified as a class 2 light truck by the US department of transportation. This is the same classification as pick-up trucks, vans and SUVs. Our van is under 21 feet long and both the City and County of Sacramento confirm that it meets size limits to park on any public roadway allowing automobile parking.

Moreover our van is not an eyesore. It has automotive paint and has no decals, graphics, or other unattractive additions. Our first choice, of course, would be to park our van in our garage, but as with many other Nepenthe Association pick-up, van and SUV owners, that is not an option.

As one of our 2 autos this van is driven regularly and parked on the public street in front of our home. Our van is stored offsite when we are not home.

Storing our van offsite when we are home would necessitate our purchasing a third automobile for normal daily driving, with all the associated costs that would entail. This would have a significant financial impact. Our other option would be to sell our unit and buy elsewhere, which would also have a significant financial impact.

I understand that as part of its effort to reduce the number of autos parked on the street the Association has agreed to review cases and grant exceptions, allowing on street parking, on a case by case basis. If the information provided above is not sufficient to allow us to park our van on the street, please consider this a formal request for such a review. If such a review or hearing is necessary please provide us with details of the procedures involved and the criteria used to determine the granting of exceptions.

Your service to the homeowners association is appreciated.

Sincerely,



Bryant Williams, Homeowner
Nepenthe Association

SCANNED



NEPENTHE ASSOCIATION

1131 Commons Drive, Sacramento, CA 95825
916.929.8380 FAX: 916.929.1773
nepenthe@fsresidential.com

January 30, 2018

Mr. Bryant Williams
Ms. Colleen Wilson
2312 American River Drive
Sacramento, CA 95825

RE: Dodge Van Conversion License #7ZHA356

Dear Mr. Williams and Ms. Wilson:

On behalf of the Board of Directors, I thank you for your letter dated October 16, 2017. The Board has carefully read your letter and has, with input from general counsel, investigated whether or not your van is a recreational vehicle. It is the Board's position that your van *is* a recreational vehicle which is specifically prohibited in the Nepenthe Third Restated and Amended CC&Rs, Article III, Section 3.3(a). You are requested to find other parking for the vehicle rather than on the streets within the Development by February 13, 2018.

You asked about the variance procedure in your letter. As you know, the ballot to restrict overnight parking on the public streets failed, so I must assume you are asking about the procedure to obtain a variance from the CC&R restriction against recreational vehicles.

Article III, Section 3.19. Variances states, in part, that the Board shall be authorized to grant reasonable variances from the property use restrictions if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of the development. The specific procedure for requesting a variance is covered under Article IV, Section 4.14. Variances. I will include the entire text of this section so you can decide whether you wish to proceed with a request for a variance.

Article IV, Section 4.14. Variances

"The Board, in its sole discretion, shall be entitled to allow reasonable variances in any procedure specified in this Article IV, or in any land use restrictions specified in Article III, to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships to Owner-applicants, provided all of the following conditions are met:

(a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise be applicable under these CC&Rs, the Board must conduct a public hearing on the proposed variance after giving prior written notice to all Owners residing within one hundred (100) feet of the subject Lot. Said notice shall also be posted in the Association's principal office within the Development. The notice shall be posted and mailed to the interested Owners at least fifteen (15) days prior to the date when



NEPENTHE ASSOCIATION

1131 Commons Drive, Sacramento, CA 95825

916.929.8380 FAX: 916.929.1773

nepenthe@fsresidential.com

the Board is scheduled to act on the requested variance. No decision shall be made with respect to the proposed variance until the 15-day comment period has elapsed.

(b) The Board must make a good faith written determination that the variance is consistent with one or more of the following criteria: (i) the requested variance will not constitute a material deviation from any restriction contained herein or that the proposal allows the objectives of the violated requirements to be substantially achieved despite noncompliance; or (ii) that the variance relates to a required land use restriction or minimum construction standard otherwise applicable hereunder that is unnecessary or burdensome under the circumstances; or (iii) that the variance, if granted, will not result in a nuisance to or be a material detriment to any other Lot or Common Area within the Development."

If you do wish to request a variance, the next available date for the public hearing is March 7, 2018. Please let me know by February 10, 2018 if you wish to continue so we can provide proper notice to your neighbors as required in item (b) above.

If you continue to park the subject vehicle on streets within the Development after February 13, 2018, the Board may choose to call you to an enforcement hearing following which they may vote to impose fines in accordance with the Nepenthe Fine Schedule which I have enclosed for your reference.

As a matter of housekeeping, please also complete the enclosed Resident Information Forms and return them to my office. Please get in touch directly if you have any further questions or if you wish to pursue a variance.

Sincerely,

Bettsi Ledesma, CMCA
General Manager

Enc.

Nepenthe Association

Fine Schedule

Adopted by the Board of Directors March 2, 2016

1. Violations related to Architectural Rules as set forth in CC&Rs, Article IV [Requirement for Member's Prior Application and Approval Before making certain improvements].
 - a. An owner making an improvement to their property requiring prior application to the Architectural Review Committee (herein "ARC") and approval of the Board of Directors who fails to apply for and acquire such approval prior to construction may be assessed a fine up to \$100.00 per occurrence.
 - b. An owner making an improvement to their property requiring prior application to the ARC and approval of the Board who fails to apply for and obtain approval of the Board of Directors and who fails to obtain subsequent approval of the Board for such improvement may be required to remove or remedy the noncomplying improvement, pay legal costs of any proceeding brought and fined a sum reasonably related to the cost of obtaining member's compliance.
2. Nuisance violations, including those involving excessive noise, vehicles, pets, trash and yard waste may be assessed a fine of \$50/day up to a maximum of \$1,000 for the first offense and \$50 per day of violation up to a maximum for \$1,000 for repeated, similar offenses.

CC&R References:

- Section 3.3 states rules regarding parking, Section 3.4 for household pets and animals, Section 3.6 for garbage and trash, and Section 3.12 for offensive conduct, nuisance, obstructions, hazards and drilling.
- Section 3.20 addresses the enforcement of property use restrictions.
- Article IV, ARCHITECTURAL REVIEW AND APPROVAL gives examples of owner improvements that require the approval of the Architectural Review Committee (ARC), what the owner must furnish with their application, how the ARC operates, rules governing proceeding with the work, inspecting the completed work, emergency improvements and the appeals process available to owners if they do not receive ARC approval.
- Section 4.12 describes remedies the Association has in cases in which an owner undertakes improvements not authorized or approved by the ARC and Board.
- Section 5.3 allows the Association to recover the costs of certain repairs and maintenance.

- Section 8.4 describes actions the Association can take to enforce the CC&Rs via fines and otherwise.
- Section 16.6(b) gives the Board the authority to implement a schedule of fines.
- Section 16.6(f) provides for a hearing when an owner receives a penalty or suspension of his or her rights under the CC&Rs.

MOTORHOME LEGAL DEFINITIONS

Motor Home is a self-propelled vehicle that provides both transport and sleeping accommodation. The term mainly describes vans that have been fitted out, often with a coach built body for use as accommodation. In the United States the term "recreational vehicle" (RV) is more common for these vehicles. They are also called campervans.

Following is an example of a state statute defining the term:

"Motor home" means a vehicular unit built on, or permanently attached to, a self-propelled motor vehicle chassis, chassis cab, or van, which becomes an integral part of the completed vehicle, designed for human habitation for recreational or emergency occupancy.[Cal Civ Code § 1793.22]

CA CIVIL CODE - CIV

DIVISION 3. OBLIGATIONS [1427 - 3272.9] (Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.)

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273] (Part 4 enacted 1872.)

TITLE 1.7. CONSUMER WARRANTIES [1790 - 1797.96] (Title 1.7 added by Stats. 1970, Ch. 1333.)

CHAPTER 1. Consumer Warranty Protection [1790 - 1795.8] (Chapter 1 added by Stats. 1970, Ch. 1333.)

ARTICLE 3. Sale Warranties [1792 - 1795.8] (Article 3 added by Stats. 1970, Ch. 1333.)

1793.22.

(a) This section shall be known and may be cited as the Tanner Consumer Protection Act.

.....

(e) For the purposes of subdivision (d) of Section 1793.2 and this section, the following terms have the following meanings:

(3) "Motor home" means a vehicular unit built on, or permanently attached to, a self-propelled motor vehicle chassis, chassis cab, or van, which becomes an integral part of the completed vehicle, designed for human habitation for recreational or emergency occupancy.

CA HEALTH AND SAFETY CODE - HSC

DIVISION 13. HOUSING [17000 - 19997] (Division 13 enacted by Stats. 1939, Ch. 60.)

PART 2. MANUFACTURED HOUSING [18000 - 18153] (Heading of Part 2 amended by Stats. 2007, Ch. 540, Sec. 2.)

CHAPTER 1. Definitions [18000 - 18014.5] (Chapter 1 added by Stats. 1981, Ch. 975, Sec. 3.)

18010.

"Recreational vehicle" means both of the following:

(a) A motor home, travel trailer, truck camper, or camping trailer, with or without motive power, designed for human habitation for recreational, emergency, or other occupancy that meets all of the following criteria:

(1) It contains less than 320 square feet of internal living room area, excluding built-in equipment, including, but not limited to, wardrobe, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms.

(2) It contains 400 square feet or less of gross area measured at maximum horizontal projections.

(3) It is built on a single chassis.

(4) It is either self-propelled, truck-mounted, or permanently towable on the highways without a permit.

(b) A park trailer, as defined in Section 18009.3.

(Amended by Stats. 2000, Ch. 566, Sec. 2. Effective January 1, 2001.)

Assembled by Bettsi Ledesma, January 30, 2018

Nepenthe Association
C/O Onsite Nepenthe
Club - 1131 Commons Dr
Sacramento, CA 95825
Ph: 916-929-8384
Fax: 916-929-1773



March 1, 2018

BRYANT WILLIAMS / COLLEEN WILSON
2312 AMERICAN RIVER DR
SACRAMENTO CA 95825 USA

RE: Vehicles - Notice of Hearing
2312 American River Dr / Customer ID #: NEPEN-1972-03

Dear Bryant Williams & Colleen Wilson :

We had hoped our previous letter would have encouraged you to resolve the item noted in our correspondence. Specifically, we noted the following:

Item: Vehicles - Recreational Vehicle

Comments: Nepenthe homeowners have agreed that recreational vehicles will not be parked or stored within the development or on the streets. Please see CC&R Article III, Section 3.3.(a) Parking Restrictions. Please find alternate storage arrangements for your Touring Coach, License plate 7ZHA356.

Per the guidelines we have all agreed to as Nepenthe Association homeowners, we request your attendance at a hearing to discuss the situation mentioned above. The hearing will be held with the Board of Directors on March 13, 2018 at 2:00 PM at Nepenthe Clubhouse, 1131 Commons Drive, Sacramento, CA 95825. Please do not disregard this notice since fines or further enforcement proceedings may result. The enclosed Response to Hearing Notice should be returned whether you are or are not planning to attend the hearing.

Should you have any questions, please contact Bettsi Ledesma at 916-929-8384 or bettsi.ledesma@fsresidential.com. Thank you for your cooperation.

Sincerely,

Bettsi Ledesma, General Manager
Nepenthe Association



RESPONSE TO HEARING NOTICE

I / We, Bryant Williams / Colleen Wilson , do / do not (circle one) intend to appear at the meeting of the Board of Directors , scheduled for March 13, 2018.

In the event you cannot attend this hearing, you may submit along with this form your written information, opinions and conclusions to the Nepenthe Association`s Board of Directors , to explain the reasons for the alleged actions or failure to act and/or indicating the date compliance will be met.

This material must be received at least seven business days prior to the hearing meeting.

Please provide the following information so we may contact you regarding any change in the time and location of the hearing.

Address: 2312 American River Dr

Dated: _____

Work Phone Number: _____

Home Phone Number: _____

E-mail Address: _____

Print Name: _____

Signature: _____

This notice must be received on or before Tuesday, March 06, 2018.

Explanation:

Submit this form to Bettsi Ledesma at bettsi.ledesma@fsresidential.com or via fax at 916-929-1773. Note: This form will be reviewed by the Board of Directors and does not ensure against additional fines and/or further enforcement action.

Statement to the Nepenthe Board of Directors

March 13, 2018

Bryant Williams and Colleen Wilson

2312 American River Drive

First, let us assure the board that we did not ignore your previous letter. Your letter dated January 30th was held by the post office while we were on vacation and was not received by us until February 24th. At that point, all of the deadlines to request a review or hearing outlined in the letter had already passed. Your second letter dated March 1, arrived on March 6, even though it requested a reply no later than March 6th

We disagree with your decision than we cannot park our van in front of our house on American River Drive for several reasons.

First, because Nepenthe does not have the authority to regulate or enforce parking on a public street. This was confirmed in several phone conversations with city traffic officials, including conversations with them before we purchased our home. Further, the Nepenthe Owners A to Z guide, (an official board approved publication furnished to us at time of purchase by Bettsi Ledesma a Nepenthe Employee), states, in part, "the City of Sacramento is responsible for maintenance of the public streets within Nepenthe and enforcing speed limits and parking regulations on those streets. Nepenthe has no responsibility for maintenance, traffic or parking on public streets."

Nepenthe owners Jan Summers and John Baker attended a meeting in City Councilman Guerra's office on December 14, 2017, concerning the proposed changes to Nepenthe parking regulations by the board. The councilmember's office had arranged for senior members from the city traffic department to attend this meeting and review the parking regulations proposed by the board. The result of this meeting was confirmation that the city is in charge of parking regulations on public streets, not the Nepenthe board.

If Nepenthe did have the authority to regulate parking on public streets within the boundaries of the development, it would still not have the authority to regulate parking on American River Drive. American River Drive is outside those boundaries, as defined in the legal description of Nepenthe in the CC&Rs. This is further demonstrated in the map of Nepenthe in the Owner's A to Z guide provided to us at the time we purchased our unit. This map clearly shows American River Drive to be outside of the Nepenthe development.

In addition, we disagree with the board's decision that our van is an RV. There is no legal definition under California law for the term recreational vehicle. We never received a response to our request for the board's criteria in making this determination, nor have we seen any

Statement to the Nephenthe Board of Directors

indication that objective standards such as length, width, height, gross vehicle weight, etc. were considered. Absent published criteria the board can potentially target any owner, for any reason, and classify any vehicle as an RV. This lack of transparency results in the appearance of impropriety or discrimination, potentially exposing the association and its owners to financial consequences. The size and style of our van could not have been addressed by the writers of the original CC&Rs, as this size and style of vehicle did not even exist at the time the CC&Rs were written.

This is our second auto and the one that Bryant primarily drives in everyday use. We each require access to a vehicle, at all times, in order to provide assistance when needed to Bryant's elderly mother, who has multiple health issues. It would be an extreme financial hardship for us to be forced by the board to pay to park our van elsewhere and buy a 3rd vehicle for day to day use.

Your proposed ban on parking our legally licensed car on the city street in front of our house is a solution to a problem that simply doesn't exist. The 2300 block of American River Drive would easily support parking 30 vehicles. The average number of vehicles parked overnight on this block is 2 or 3. We have parked our van overnight on American River Drive for 9 months and have not received a single complaint from any of our neighbors. There is simply no reason for the board to take any action on this matter.

We are willing to work with the board towards any compromise solution that allows us to park our vehicle on the public street in front of our house. If the board would prefer not to revisit the parking regulations or RV decision at this time, the CC&Rs provide the board with authority to grant a variance (Section)3.19 or simply not to pursue enforcement (section 3.20 b). Either of those alternatives would be acceptable to us.

You are responsible for the maintenance and replacement of hose bibs (faucets) in the exterior walls of your home. There is usually one bib in the front wall, one in the patio, and one in the garage wall. It is wise to insulate them if a hard freeze is expected. See *Leaks*. See *Insulation*.

Police See *Security*.

Pools There are pools at the clubhouse, Dunbarton Cabana and Elmhurst Cabana. Hours are 9 a.m. to 10:00 p.m. in the summer. The pool at the Dunbarton Cabana and one of the pools at the clubhouse are heated in the summer. Residents must accompany their guests at all times. There are no lifeguards. Rules regarding children, pets, glass containers, etc. are posted at each pool. Pets are not allowed in the pool areas. If you see a problem with maintenance of the pools or with enforcement of the rules, call the manager at (916) 929-8380. All pools are closed in the winter. See *Amenities*.

Porch lights Owned and maintained by the homeowner. There are no criteria for porch lights, but homeowners are asked to make choices compatible with community standards.

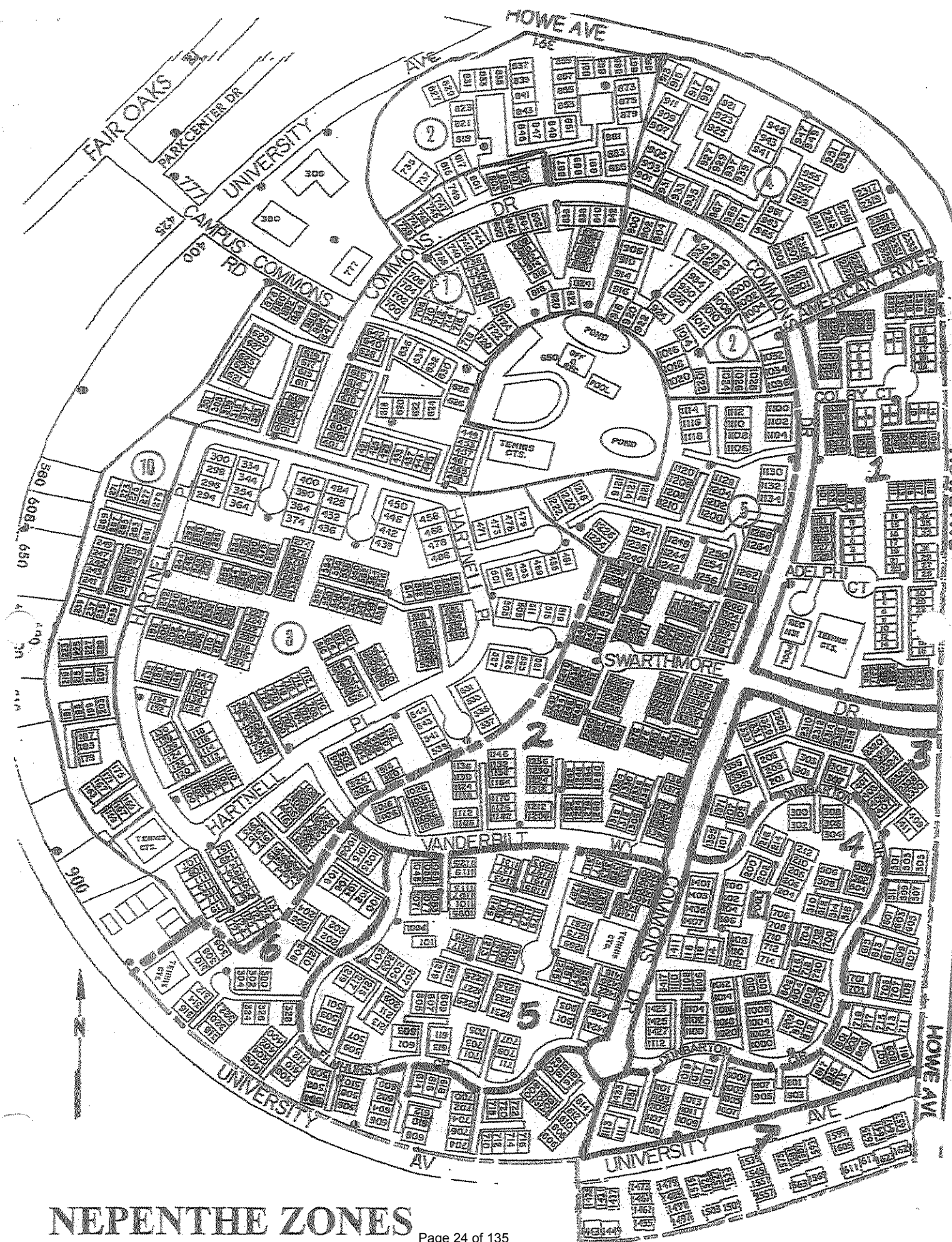
Power outages See *SMUD*.

Power vents Owned and maintained by the homeowner. May be installed or replaced only with Board approval. See the office or the website for criteria and application forms. See *Architectural Criteria*.

Private streets The Association owns and maintains two private streets, Elmhurst Circle and Dunbarton Circle. Homeowners who live on or near those streets make a monthly contribution to a separate reserve fund for the maintenance of the streets. Nepenthe enforces the speed limit (10 mph) and parking regulations on both streets. Those streets are swept as needed by the groundskeepers. For problems with enforcement or maintenance, call the office at (916) 929-8380. See *Parking*.

Public library The nearest public library is the Arden-Dimick branch at 891 Watt Ave., at the intersection with Northrup Ave., approximately 3.3 miles from Nepenthe. Call (916) 264-2700 for hours. The CSUS library is also open to the public, but only students and faculty have checkout privileges. Call (916) 278-6926 for hours, or go to the website at library.csus.edu.

Public Streets The City of Sacramento is responsible for maintenance of the public streets within Nepenthe: American River Drive, Commons Drive, Colby Court, Adelphi Court, Swarthmore Avenue, Vanderbilt Way and University Avenue. The city is also responsible for enforcing speed limits (posted 25 mph) and parking regulations on those streets. The city sweeps the streets the third Wednesday of every month. To report parking problems, call 311. To report maintenance problems, call the city transportation department at (916) 808-1888. To report traffic problems, call the city police department at (916) 277-6128. While Nepenthe has no responsibility for maintenance, traffic or parking on public streets, it is



NEPENTHE ZONES

March 25, 2018

TO: Ms. Bettsi Ledesma, General Manager
Board Members
Nepenthe Association
1131 Commons Drive
Sacramento, CA 95825

FROM: Ed Goldman 
2310 American River Drive
Sacramento, CA 95825
email: goldman4@earthlink.net

SUBJECT: Variance for Parking Winnebago on American River Drive*

I strongly request you deny the requested variance from my neighbors at 2312 American River Drive—a variance that would allow them to continue parking their red Winnebago on the street in front of my residence and others' residences.

I have attached some photos I took from each window of my home that faces American River Drive: from my second-floor bedroom, and first-floor dining and living rooms. As you can see, my neighbors' recreational vehicle rather dominates a view I cherished when buying my place here, a year ago last month.

By not denying this variance, Nepenthe will be opening up itself to becoming an RV park. In addition to the vehicle's being an aesthetic eyesore (unless you're a fellow fifth-wheeler), I believe a variance would have a deleterious effect on the value of our homes.

I'm also concerned because when my neighbors first purchased it, they told me they were aware that it would never fit into their Campus Commons garage—and one of them then assured me that once they returned from a trip to view the eclipse, the vehicle would be stored at the home of an in-law or relative who had appropriate storage space (and, I assume zoning).

I imagine they're awaiting the next eclipse to make that arrangement.

These incidents never inspire good relations between and among neighbors and I deeply regret the necessity of writing this letter and providing these graphics. I have not taken the liberty of contacting any other neighbors to seek support for my request, which I realize was my right to do but I hoped would be unnecessary.

Thank you for the opportunity to take my request into your consideration. As Ms. Ledesma knows, I have been writing inquiries about this and have had conversations about this with my attorney over the past few months. I was urged to wait and let the Board do its due process. I hope you'll make me glad I have.

*Photos have been emailed.

Supplement to letter from Ed Goldman
View from Living Room of 2310 American River Drive:



View from Dining Room:



View from Upstairs Bedroom:



Bettsi Ledesma

From: Wendy Arinno <wendyarinno@msn.com>
Sent: Wednesday, March 28, 2018 11:34 AM
To: Bettsi Ledesma
Subject: 2312 American River Drive

Good Morning Nepenthe Board of Directors,

The red RV is a negative impact on our property values; I'm sure the people that have the place up for sale around the corner from them are extremely irritated. The fact that it's an eye sore from my front window, even thou it's down the street a bit still finds me wondering why they think that they are better than any one else? What if everyone parked their RV's on the street? You let one person do it and everyone else will want to as well. How many is too many? I say 1 is too many.

Please do not let those rude people ruin the enjoyment we have sitting in our living room and of the beauty that surrounds our wonderful community.

Thank you,
Wendy & Dale Arinno
2306 American River Drive

From resident on Colby Court who has asked to not have name published:

I wanted to let you know that I got the letter about the variance request. I ask the Board to consider with caution by allowing permanent recreational cars in the area, but seek hard for a solution. After all, we are neighbors. As a homeowner that pays nearly 500 a month just to live here, a permanent recreational vehicle should not be permitted. I look at the dues as part of the aesthetic value of this monthly investment. I understand if the car is there for packing, unpacking, etc. There is a neighboring car in Campus Commons that has rope keeping the hood down. Or at least it appears that way. I don't think these sorts of cars (or recreational) should be a fixture on the streets.

I realize you have a hard job and hopefully, you can help find a solution. I respect our neighbors - a permanent variance would set policy for the entire community and lead to other cars. Here are some thoughts: I trust our neighbor has explored whether this vehicle fits in their garage. Maybe the variance could be to treat this as a home with three cars and they can move one of their cars outside. I think you need to ask if this is going to be treated as a car or a place for parking. Like other cars, the subject vehicle should not be 'permanently parked' on the street. Or, if the car is there for shorter periods of time - like a week or two max that could be a reasonable solution. As a resident, consistent recreational cars in front of my home, let alone my window, compromises the value of my near \$500 investment each month to live here. I am a former resident of Gold River. We pro-actively rented storage close to our home for the 'recreational' items. I treat it as part of the cost of living in these established communities. It is and was not my neighbors' responsibility to offset my personal expenses.

Respectfully,

XXXX

NEPENTHE ARCHITECTURAL COMMITTEE MINUTES

Tuesday, March 13, 2018 at 5:30 pm in Clubhouse

Members present: Jenny Smith, chair; Jan Summers, Bill Henle, Alan Watters, Joel Weeden, Diane Vanderpot, Cheryll Cochrane.

Present: Craig Price, Nepenthe Board Liaison; Helga Dicker and contractor Kelly Bott from Tesla; Cheryl and Nelson; Wolfgang von Sydow, Andrew Kershen.

Meeting was convened at 5:32 pm.

A. Welcome and Opening Remarks.

B.1. Homeowner requests not decided on:

1. **1433 Commons Drive** – Cheryl Nelson – In this 2200 model, the installation of a solar voltaic electricity-generating system by Tesla. The ARC needed further information about the system and location of its installation, so no vote was conducted at this meeting. (Note that the A.R.C. is yet awaiting answers to its questions about these solar voltaic systems from last month.) The ARC is continuing to seek further information about the system and location of its installation.

B.2. Homeowner Requests Recommended to be Approved. (With conditions if so noted.) (All votes unanimous unless otherwise noted.)

2. **705 Elmhurst Circle** – Helga Dicker – In this 5500 model, the installation of a solar voltaic electricity-generating system by Tesla. The ARC's questions were answered by Tesla rep Kelly Bott. The inverter and system meter are to be located in the home's small patio. (Note that the A.R.C. is yet awaiting answers to its questions about these solar voltaic systems from last month.) Five voted Yes, and two voted No. **Approval Recommended.**
3. **1400 Commons Drive** – Andrew Kershen and Cathryn Koss – In this 3000 model, the replacement of all windows and the sole sliding door is requested: 8 windows and one patio slider will be replaced with Monte Verde's Bay View vinyl-framed windows with a bronze exterior. The contractor is Antonio Hernandez with Pro Windows. **Approval Recommended.**
4. **1117 Commons Drive** – Wolfgang von Sydow – In this 1720 model, replace all the windows and sliders: install via retrofit installation four windows and (via new installation) two sliding patio doors, using Simonton 7300 Daylight Max vinyl-framed windows, with no change to the configuration. The exterior color of

the frames will be “Espresso,” a closer match than bronze. The contractor is to be C.E.C.S. **Approval Recommended.**

5. **506 Elmhurst Circle** – Robert and Sharon Ramirez – In this 3300 model, the replacement of the living room window with Milgard Tuscan Series vinyl dual-paned window via retrofit installation is requested, with exterior color being “Bronze.” There is to be no change to the configuration. The contractor is Lowe’s. **Approval Recommended.**
6. **1333 Commons Drive** – Russell and Marjorie Knauer – An application to replace windows was approved last month, in February, 2018. This re-submittal utilizes a different product: In this 2300 model, requested is the replacement of all windows and sliding patio doors (except the garden window over the kitchen sink) with Simonton 7300 Daylight Max vinyl-framed windows, with no change to the configuration. The contractor is to be C.E.C.S. The exterior color of the frames will be Bronze. Vote taken via email. **Approval Recommended.**

B.2.A. Homeowner Requests Already Approved: none.

C. Approval of Minutes: done via email.

D. Reviewed Non-Compliance Notices from Homeowners: none.

F. Old Business: Mention was made of December’s application from 907 Dunbarton Circle, Kay Cunningham, for a “doorbell camera” for which we have not received any further information.

Jenny reported on Project 2) that she is coordinating with Bettsi about presenting to the Board a proposal that the ARC approve by itself certain routine applications.

Cheryll reported that she is making progress on the new front door colors and screen door possibilities.

G. New Business:

Voting was conducted in closed session.

H. Meeting adjourned at 6:59 pm.

I. Next meeting. Next regular meeting on Tuesday, April 10, 2018, at 5:30 pm in the Clubhouse.

Respectfully submitted, Alan Watters, A.R.C. secretary

NEPENTHE GROUNDS COMMITTEE MEETING

February 8, 2018 - 3:00 PM - Clubhouse

Minutes

PRESENT - Pamela Livingston, Committee Chair; Frank Loge, Board Liaison; Bettsi Ledesma, General Manager; Pete Gerould, GP Landscape; Paul DuBois, The Grove; Joan Barrett, Secretary
Zone 1-Grace Long; Zone 2-Elsa Morrison; Zone 3-Liza Tafoya; Zone 4-Don Landsittel and Kay Chmielewski; Zone 5-Pam Sechrist; Zone 6-Diana Vizzard

NOT PRESENT - Marty Henderson, Irrigation; Zone 2-Diana Mortimore; Zone 3-Mike Herder; Zone 6-Kathy Waugh; Zone 7-Renee Mendez

GUEST PRESENT – Anne Marder, 1207 Vanderbilt; Valerie Layne, 2251 Swarthmore Drive; Helga Dicker, 705 Elmhurst Circle

The meeting was called to order by committee chair, Pam Livingston at 3:00

Homeowner Input –

Helga Dicker has a problem with the turkeys roosting in the Cedar next to her home. She says the tree is now leaning over the area of her bedroom. In addition to the large amount of turkey poop generated onto her patio, she is concerned about the additional weight of large number of turkeys on the limbs on the leaning tree. She is requesting a status review of the tree with an eye toward removing it as it is close to the foundation. Paul Dubois will evaluate the tree and if possible request a permit from the City for an internal evaluation of the root system.

Anne Marder does not want the Podocarpus on the north side of her home removed. Her concern is the loss of privacy. She requested that the tree be pruned instead of removed. Pam asked Pete to remove it from the last zone walk notes

Valerie Layne is interested in joining the committee and wished to observe the committee in action. She additionally reported a neighbor's tree was removed in October and has not been replaced. Pete will follow up on the unfinished tree removal.

Irrigation Report

In his absence, Marty sent an email. *Tyler of GP reports that he has completed the remaining portion of this year's irrigation project, which includes part of Zone 2. He has asked the City to come out and finish the inspection so we can submit invoices for the rebate.*

Pete Gerould, GP, Grounds Report

The pre-emergent and fertilizer are completed in all of the beds. The weeding is ongoing at a rate an hour plus each day. Mowing ivy and pruning is continuing in Zone 4 and Zone 5 is next. An attempt is being made to get the reseeding and fertilizing on the grass before the expected rain.

The irrigation upgrades along Howe Avenue has been completed. The water controls are off.

City of Sacramento - March first was the beginning of twice a week watering rules.

Bettsi Ledesma, General Manager's Report

The 'deep watering' of the large trees has been approved by the Board and the trees have received their first injection.

Bettsi distributed a list of 2018 zone walks with the total monies committed as a result of each walk.

She noted that in the past the worst areas were scheduled for the initial outlay of projects and monies but now that those have been addressed, a more strategic plan can be implemented.

She distributed a copy of the Scope of Work of the Landscapers. Bids are to be submitted by March 29, 2018.

Moss on some roofs is scheduled for remediation with Wet and Forget, a product approved by the roofing manufacturer, is scheduled for May application.

Tree walks are now scheduled the first Tuesday of each month.

Paul Dubois, Arborist Report

Paul mentioned that there are three trees in Nepenthe that turkey deterrent foil strips have been installed. Bettsi noted that there is an expert who is being contacted to speak to the Board on this problem and residents who feed the turkeys will be cited and fined.

Paul outlined the criteria of tree pruning and removal per the City of Sacramento which states that any tree 24" in diameter is considered a "private protected tree" and any work on that tree must be permitted including pruning for tree health or possible damage to building(s) or a \$500 ++ fine per tree may be levied. Inside a private patio, the removal of a 32" or less in diameter by the homeowner does not require a permit. He discussed the risks to property and people in living in an urban forest. Paul reported that the budget items for tree pruning are now complete.

Zone Stewards

Don asked about bare areas in Zone 4 and requested heavier seeding and ivy planting in those places.

Weather permitting, GP Crew Appreciation Lunch at the Dunbarton Cabana on Wednesday, April 18th.

The meeting was adjourned at 4:21 PM

NO REQUEST FOR BOARD ACTION

Next Zone Walk – Zone 6 - Friday, March 9th

Next Tree Walk – Tuesday, April 3rd

Next Grounds Committee Meeting – Thursday, April 12th at 3 PM – Nepenthe Clubhouse

MINUTES

ILSC

March 13, 2018 5:00 PM
Nepenthe Library

IN ATTENDANCE:

Nancy Arndorfer, chair
Mike Cochrane
Bill Olmsted
Steve Huffman, Board Liaison

ABSENT:

Jerry Dunn
Greg Beale

The meeting was called order at 5:07 PM by Nancy, and Mike and Bill approved the February 13th minutes as written.

NEW BUSINESS:

A letter with attached photos dated 2/27/18 from Ryan DeShong at Farmers was distributed and reviewed. It was Ryan's annual report of his full property inspection of all areas of Nepenthe wherein he stated that, "the overall appearance and maintenance conditions of the property and structures are excellent". His photos were of four different walkways where the concrete is lifting up and requiring action. They are a safety hazard. It was decided to request that the Board take appropriate action. Steve also said that he would discuss it with Bettsi.

LIAISON REPORT:

Steve said that the expiring landscape contract is out to bid and then spoke to the ever increasing turkey problem. He spoke about Sarah's research and report to the recent Board meeting about getting a wildlife expert to look into the problem for us, which will fulfill state requirements re handling these sorts of problems. Steve said further that there would be a special Board meeting later in that week to start the reserve study and that all of the roofs and gutters are currently in good shape.

Bill told Steve that some members of the committee were unhappy that once again the ILSC was bypassed in the Board's process of silently approving of a new security company for the HOA without input from the committee, which followed the Board or one of its members moving unilaterally to have an insurance forum in January again bypassing the committee. The question was posed to him as to why to have a committee with subject matter expertise within its membership and have the Board ignore the committee? Steve responded that the latest decision had nothing to do with security but rather was all about parking. He ended the discussion there.

The subject of solar panels was discussed as they related to any legal liability on the HOA's part in re contracts. Again, this had been discussed in depth at the recent Board meeting with a report by Chair Jenny Smith of the ARC and an employee of Tesla company who has been marketing solar systems to residents. This is a new and murky subject for the HOA since it has not really been encountered before. The HOA rules are very plain that anything a resident affixes to their roof with ARC and Board approval becomes the home owner's responsibility for the maintenance of the roof and their liability for any damage that results from mountings on the roof and holes in the roof. Steve pointed out that if a yea or nay from the Board is not given to the homeowner within 45 days of their application, then it is considered approved. This often does not give a lot of time to do the inspections and research necessary. The legal liability was discussed that if the homeowner sells the property, does the liability pass to the new owner even though they were not part of the original contractual arrangement. Steve said that Bettisi was aware and wanted the Board to contact their outside counsel to get some exact wording in a contract that would address these issues so that they are very clear to the existing owner and subsequent ones. Mike agreed and said that an HOA to which he formerly belonged in another city raised the same issues. He said that the legal language in such a contract needs to be direct to that specific subject so that the HOA is covered for any subsequent problems that might arise.

UNFINISHED BUSINESS:

The subject of the April 28th safety forum was discussed. Bill reported that he has been in touch with Richard Coombs, an attorney and our former ILSC chair, who attended a series of meetings in 2016 of the Sacramento County's Five Year Local Hazard Mitigation Plan Update committee. This is required by state and federal laws that every local jurisdiction be involved in this planning to identify natural hazards, engage in mitigation planning and have plans in place that cover the main hazards to our property especially as it refers to flood and fire. Richard will find his material from these meetings and forward it to Bill. This encompasses police, fire, flood control, utilities and any other organization, public or private, that touches on these issues. These will be the basis of the topics for our forum as well as assist us in preparing a safety and disaster emergency plan for the HOA, which Steve asked be done by August for presentation to the Board, if possible.

BOARD ACTION ITEMS:

Request that the Board take immediate action on Ryan DeShong's suggestions re the uplifting concrete walkways for repair.

The meeting was adjourned at 6:00 PM

Submitted by Wm Olmsted

The next Board meeting will be on Weds. 4/4/18 at 5:30 PM, and the next ILSC meeting will be on 4/10/18 at 5:00 PM

NEPENTHE SEWER STUDY REPORT

March 15, 2018

The committee has addressed all of the questions in the Board's charge dated March 10, 2017 and has made a detailed analysis of the wastewater and storm water systems. All of the digital reference material described in this report will be provided to Nepenthe Association and is listed below under "Nepenthe Sewer System Reference Files."

DESCRIPTION AND MAPPING OF SEWER SYSTEMS

There are two entirely separate sewer systems in Nepenthe: one for wastewater and the other for storm water. Local Wastewater Collection is managed by Sacramento Area Sewer District with Regional Wastewater Conveyance and Treatment managed by Sacramento Regional County Sanitation District. Storm water is managed by the City of Sacramento.

Nepenthe Association has always owned and has been responsible for maintaining all parts of the systems that are not in public streets or in a dedicated drainage easement to the city or county. There is a General Note "No. 4" on the Title Sheet for Campus Commons Unit No. 6 [File *Nepenthe 28*] "The sewer systems not within public right of way to be maintained by property owner(s)." Construction of Unit No. 6 began in 1972 and, up until the charge to this committee ownership has never been in question. Further confirmation is in a personal memo dated May 30, 2017 to Bob Giess from Eric Scholtz on behalf of SASD Plan Check (SDA): "The public utility easements are not public right of ways. So only the sewer in public right of ways is what the District maintains. All other onsite sewer is private and is to be maintained by the property owner."

The Committee has obtained copies of two specific easement deeds [File *Nepenthe 24 and 25*] which are relevant to the sewer system. These easements are shown by cross-hatching and a note or label on the recorded Plat maps [File *Nepenthe 07, 08, 17, 18, and 19*]. Of considerable value to the Association, the committee also obtained digital copies of the lost original subdivision construction plans [File *Nepenthe 27 through 38*]. From these plans the Committee has tabulated pipe sizes throughout the properties. The type of pipe(s) for which the plans allowed alternates has not been identified [File *Nepenthe 29*]. Modifications or subsequent repairs do not seem to be mapped by the Association. Expenditure records show only general location information. The committee did not tabulate the manholes on the systems.

REPAIR COSTS RECORD REVIEW

The committee examined records of repair expenditures for the past five years. In general about \$25,000 has been spent in each of those years as recorded in varying accounts and seemingly coming out of a miscellaneous budget. In the reserve study there are two items: annual costs of approximately \$30,000, 2018 dollars per year through 2046, and storm drain connection cleaning costing about \$21,000, 2018 dollars every ten years beginning this year. While the annual cost seems realistic there is no documentation or rationale for the storm drain connection cleaning every ten years. This activity seems to be covered in the annual expenditures and has been done as needed.

RECOMMENDATIONS

Probably the most important committee determination is that more accurate and detailed record keeping and repair information and costs are needed to determine future infrastructure replacement and costs. Based on the information available there is no indication that different pipe types on the main lines make any difference in service life (70 to 100 years according to Sacramento City). According to the records there are no fully documented widespread deterioration problems with the 40 year-old systems. Repairs have been isolated, few in number, and do not show any significant trends warranting any extraordinary measures at this time. The one area of particular interest is the number of repairs for scaling of the wastewater cast iron laterals that go to the homes. Better information on this is needed—including what caused the scaling and whether it is a homeowner responsibility even though some of it is in the Association property. We have not been advised of any incidents regarding scaling of cast iron laterals during the eleven months of the committee's existence. An interview with a contractor doing work in Nepenthe provides anecdotal reports and also description of problems with storm water drains including leaves plugging drains and concrete washouts (by homeowners or contractors) causing problems. The Association needs to be on top of this situation—if these are caused by Nepenthe contractors or by homeowners.

Also, Nepenthe residents need to be continually reminded not to put grease or other objects down the drain and those owners may be charged for any blockage repairs.

We recommend initiating an account to capture underground sewer costs which the previous 5 year expenditures has not done. In addition the Management organization should be utilized as well as the reserve study manager to determine what other nearby communities are doing. Interviews with Campus Commons and East Ranch did not reveal that they are doing anything special.

It is suggested that a video of the main lines be made with the results documented to assess the condition of the pipes. This could be done initially in an area where the condition might be suspect, and if initial results warrant further study expanded to other areas incrementally within budgetary funds.

Because we are lacking sufficient history in the information the committee has been able to obtain we are not in a position to make any further recommendations regarding the reserve study at this time. As a solution to this we propose designating qualified individuals to volunteer and to be on call to carefully review each future sewer repair incident to assist staff in making a detailed record to include location, cause, type, size, and length of pipe involved; pictures, sketch related to original construction plans, cost to the Association and homeowner, etc. These records would be most helpful regarding the implications for future study and future costs related to infrastructure requirements and costs to be included in the reserve study. Technology is advancing very rapidly and we need to have a good history of our systems to be prepared for innovative improvements. It is equally important to coordinate all underground infrastructure work in private streets and alleys with any planned paving work.

The committee gratefully acknowledges the contribution of Don Ellanger at the outset of this study.

Don Landsittel, Chair

Robert W. Giess, P.E.

NEPENTHE SEWER SYSTEM REFERENCE FILES

SACRAMENTO COUNTY PLAT MAPS

These maps are in Sacramento County Official Records as listed.

<u>File Name</u>	<u>Record</u>	<u>Description</u>
Nepenthe 01	Book 89 Page 017-001	Campus Commons Unit No. 6
Nepenthe 02	Book 89 Page 017-002	Campus Commons Unit No. 6
Nepenthe 03	Book 89 Page 017-003	Campus Commons Unit No. 6
Nepenthe 04	Book 92 Page 016-001	Campus Commons Unit No. 3-B*
Nepenthe 05	Book 92 Page 016-002	Campus Commons Unit No. 3-B*
Nepenthe 06	Book 92 Page 016-003	Campus Commons Unit No. 3-B*
Nepenthe 07	Book 95 Page 010-001	Campus Commons Unit No. 7-A
Nepenthe 08	Book 95 Page 010-002	Campus Commons Unit No. 7-A
Nepenthe 09	Book 96 Page 013-001	Campus Commons Unit No. 7-B
Nepenthe 10	Book 96 Page 013-002	Campus Commons Unit No. 7-B
Nepenthe 11	Book 102 Page 023-001	Campus Commons Unit No. 8-A
Nepenthe 12	Book 102 Page 023-002	Campus Commons Unit No. 8-A
Nepenthe 13	Book 102 Page 023-003	Campus Commons Unit No. 8-A
Nepenthe 14	Book 102 Page 023-004	Campus Commons Unit No. 8-A
Nepenthe 15	Book 102 Page 023-005	Campus Commons Unit No. 8-A
Nepenthe 16	Book 108 Page 009-001	Campus Commons Unit No. 8-C
Nepenthe 17	Book 108 Page 009-002	Campus Commons Unit No. 8-C
Nepenthe 18	Book 108 Page 009-003	Campus Commons Unit No. 8-C
Nepenthe 19	Book 108 Page 009-004	Campus Commons Unit No. 8-C
Nepenthe 20	Book 99 Page 018-001	Campus Commons Unit No. 9
Nepenthe 21	Book 99 Page 018-002	Campus Commons Unit No. 9
Nepenthe 22	Book 118 Page 008-001	Campus Commons Unit No. 11
Nepenthe 23	Book 118 Page 008-002	Campus Commons Unit No. 11

*Unit 3-B is not part of Nepenthe but is referenced in one of the Drainage Easements.

SACRAMENTO COUNTY RECORDED DRAINAGE EASEMENTS

These easements in Sacramento County Official Records are granted to the City bordering the north and west boundary of Unit 7-A, the west boundary Of Unit 7-B and along the west boundary and through Unit 8-C.

<u>File Name</u>	<u>Record</u>
Nepenthe 24	Book 5387 Page 434
Nepenthe 25	Book 5387 Page 435
Nepenthe 26	Book 71-10-22 page 288

NEPENTHE SUBDIVISION CONSTRUCTION PLANS

These are digitized copies made by Sacramento Area Sewer District from the original construction plans. The first file (Nepenthe 27) contains numerous sheets in all units. The following files are the Title Sheet for each subdivision and some missing sheets not included in Nepenthe 27.

<u>File Name</u>	<u>Description</u>
Nepenthe 27	All subdivision units Unit No. 6 beginning sheet 14 of 21 thru Unit No. 11 sheet 5
Nepenthe 28	Title Sheet Unit No. 6
Nepenthe 29	Title Sheet Unit No. 7-A
Nepenthe 30	Title Sheet Unit No. 7-B
Nepenthe 31	Title Sheet Unit No. 8-A
Nepenthe 32	Unit No. 8-A Sheet S-1
Nepenthe 33	Unit No. 8-A Sheet S-2
Nepenthe 34	Unit No. 8-A Sheet S-3
Nepenthe 35	Unit No. 8-A Lots 6 thru 12
Nepenthe 36	Title Sheet Unit No. 8-C
Nepenthe 37	Title Sheet Unit No. 9
Nepenthe 38	Title Sheet Unit No. 11

NEPENTHE SEWER PIPE LIST

This is a tabulation of the pipe sizes and lengths taken from the original construction plans.

<u>File Name</u>
Nepenthe 39

SACRAMENTO CITY WATER AND SEWER MAPS 2016

These are Facility Maps compiled and used by the City engineering and maintenance crews for sewer and water. An earlier version large scale compiled colored print has been used by Nepenthe.

<u>File Name</u>	<u>Description</u>
Nepenthe 40	Legend Listing
Nepenthe 41	Legend Symbols
Nepenthe 42	EE21Sewer
Nepenthe 43	EE21Water
Nepenthe 44	EE22Sewer
Nepenthe 45	EE22Water
Nepenthe 46	FF21Sewer
Nepenthe 47	FF21Water
Nepenthe 48	FF22Sewer
Nepenthe 49	FF22Water

List of subdivision construction years:

Unit No. 6 in Book 89 of Maps, map no. 17 on April 19, 1972.

Unit No. 7A in Book 95 of Maps, map no. 10 on October 29, 1973.

Unit No. 7B in Book 96 of Maps, map no. 13 on April 16, 1974.

*Unit No. 8A in Book 102 of Maps, map no. 23 on April 14, 1976 Unit No. 8C in Book 108 of
Maps, map no. 9 on December 9, 1976.*

Unit No. 9 in Book 99 of Maps, map no. 18 on May 28, 1975.

Unit No. 11 in Book 118 of Maps, map no. 8 on January 27, 1978.



Nepenthe Association

Management Report – April 4th, 2018

1 COMMUNICATION

1.1 THE NEPENTHE NEWS WAS LAST PUBLISHED ON MARCH 9TH, 2018. THE NEXT NEWSLETTER WILL BE PUBLISHED ON APRIL 6TH, 2018. TOPICS TO BE COVERED ARE:

- Manager's Report
- President's Letter
- Cash Flow Report
- Grounds Report
- Parking update
- CM² roof inspections
- Candidates Statements
- Benches

1.2 WEBSITE:

- Calendar is up to date and complete.
- Announcements scroll received most recent update on 3/15/18.

2 ADMINISTRATION

2.1.1 Flood Insurance renewal has been completed. Management has billed the Flood Insurance Exchange \$225 surcharge to non-resident owners due by April 1, 2018. Due to an oversight, the non-resident owners were not billed in 2016 and 2017. This mistake is being addressed by FirstService- all non-resident owners have been billed, but will also be offered payment options if needed.

2.1.2 Received notice from City of Sacramento regarding water meter installation. Board to discuss implementation at the open session.

3 FACILITIES

3.1 **Paradyne Sound and Theater** will be onsite April 16 and 17 to install new audio visual equipment.

3.2 **Phase III Siding and Painting** - Project is on schedule. It is nearing full completion. The anticipated completion date is the first or second week of April.

- 3.2.1 **Fencing Repairs** - a fencing project will commence at the completion of the siding and painting project. This project encompasses fences identified in the last 5 months or so and collected into a single project to realize economy of scale.
- 3.2.2 **Light Pole Update** – The Board will review a proposal from Randy Ross Services at the April 4 Executive Session to install the new Globes, fitters and bulbs at all 632 light poles.
- 3.2.3 **Roof Inspections** - CM2 has completed the inspections and will be providing a full report.
- 3.2.4 **Janitorial Service** - All regular scheduled cleanings were completed five days per week including the cleaning of the clubhouse, the Dunbarton cabana restrooms and the Elmhurst cabana service restroom.

4 GROUNDS

4.1 GROUND WALKS:

- 4.1.1 Management, Grounds Chair and GP Project Manager meet once a week to provide contract oversight to calendar contract work, homeowner concerns, irrigation upgrades and to monitor ongoing projects. A record of each walk and the work approved is in a binder in the library for homeowner review.
- 4.1.2 A copy of the Zone Walk schedule showing the expenditures for Extra Work to date for 2018 is enclosed.

4.2 TREE MAINTENANCE:

- 4.2.1 Turf Pro, under direction from The Grove Total Tree Care has completed the Merit injections for the prevention of aphids. The monthly zone tree walks resume April 3.

4.3 WILD TURKEY POPULATION CONTROL

In recognition of the growing population of wild turkeys at Nepenthe and at the Board's request, Management has located John McNerney, the wildlife resource manager for the City of Davis. He is attending the April 4th meeting.

4.4 CONCRETE REPAIRS

- 4.4.1 Concrete repair bids will go before the Board of Directors in May.

5 FINANCIAL

- 5.1.1 The February 2018 Financials are enclosed for review. The line item for flood insurance is now updated monthly so no false positive variance collects. This month there was an increase in unpaid assessments which is reflected in the Consent Calendar Lien Resolution. The line item for Gutter and Downspout Cleaning shows a sizeable negative variance due to the 2017 winter work being completed and paid for in early 2018. This line will remain fairly flat until work resumes again in the fall.
- 5.1.2 The rebate check from the City of Sacramento in the amount of \$42,092 was transferred to Reserves. This will be reflected on the March financial report.
- 5.1.3 CPA Paula Hegner has completed her financial review. It is on the Consent Calendar for approval. Because California Civil Code requires that this review be mailed to all homeowners by April 30, and the review came just in time to include it in the Board packet, the Finance Committee has not had time to review it. It has been emailed to them. They have been asked to look it over and if they have any questions, we can set up an opportunity for them to meet with Paula and if later revisions are needed they can be mailed to the owners under separate cover.

6 GOVERNANCE

6.1 COURTESY PATROL

- 6.1.1 Private Streets: Since the last Board meeting, there were a large number of notices placed on vehicles in the community by the security patrol. Many of these notices were placed on guests' vehicles which has caused much consternation on the two private streets. A new parking notice has been devised for the officer's daytime patrol. Additionally, guest and contractor placards have been created and are available at the management office. (Samples of these items are enclosed with this report.) Homeowners are required to complete a Resident Information Form to obtain the placards.
- 6.1.2 The new contract with Paladin has been largely successful. The officers and supervisors have been quite communicative and responsive. Post orders continue to be refined as we work through the issues involved with the daytime patrol. Reports are reviewed by management daily, recapping the rounds and interactions of the officers on duty.

6.2 GARAGE USE/ RV NON-COMPLIANCE:

- 6.2.1 Management continues to work with homeowners on non-compliance centering on garage use.

6.2.2 The Board subcommittee appointed to hear issues of non-compliance held three hearings on March 13, 2018. One owner requested that hearing be held in open session. That hearing is scheduled for the April 4 Open Session.

6.3 NON-COMPLIANCE NOTICES

6.3.1 Notices have been sent to owners and tenants for the following violations:

- Garage – Improper Use / Failure to park in garage
- Common Area – Encroachment
- Maintenance Agreement

Board Nominations



THE NEPENTHE NEWS

Our bylaws call for a nominating committee to be formed each year, chaired by a sitting director and two or more other owners. The board appointed me as chair. I was joined by past directors Liza Tafoya and Will Vizzard.

We made our report to the board at its meeting March 7. Two owners in good standing agreed to serve two-year terms to end at the annual meeting in May of 2020.

Because this is an even-numbered year, two vacancies come up. Our search for possible board members resulted in two volunteers for the two positions. Therefore, unless an owner in good standing wants to self-nominate according to the bylaws, there will be no election this year.

Linda Cook will complete her first two-year term on May 23, the date of our annual meeting. She has been secretary and liaison to the grounds and outreach committees. She was instrumental in re-constituting outreach in recent months.

Jan Summers is a member of the architectural review committee, and she attends meetings of the

board regularly. She takes an interest in what happens in our community.

I thank both Jan and Linda for being willing to serve Nepenthe Association in this important way. Looking forward to 2019, Christina George and Frank Loge will

complete their first two-year terms. I will

complete my second. Being an odd-numbered year, there will be three openings. So

it's not too early to consider running for one of those slots. In general we look

for people who have served on a committee and attend meetings of the

board of directors. I suspect many of you overestimate the time involved. I spend 4 to 6 hours per week on Nepenthe Association business, and as president, my hours are longer than for other directors. That's not a big burden. It gives me lots of time to ride my bike, see my family and travel. What is more, new directors get a thorough orientation so they are well informed prior to their first meeting. Please think about it, and phone me at (916)214-4500 so we can talk. -Nepenthe Association's President Steve Huffman

Mark your calendars!
Nepenthe's Annual Safety Forum is next month on April 28th between 10:00am-12:00pm.

Homeowners can ask questions, discuss concerns or offer suggestions regarding safety practices and policies here at Nepenthe.

Approved Architectural Modifications



1293 Vanderbilt Way	Replace one patio slider with half wall and window
1333 Commons Drive	Window Replacement
1125 Commons Drive	HVAC Replacement
1242 Vanderbilt Way	Emergency Approval—HVAC Replacement
1310 Commons Drive	Solar Panel Installation

The improvements listed were approved by the Board of Directors on
March 7th, 2018.

If you wish to make any exterior changes to your unit that are visible to the community, could impact drainage or interior changes that impact the roof, you must submit an architectural application for review and approval by the Architectural Committee and Board of Directors prior to commencing any work to your unit. Applications are to be turned into the Nepenthe office by the Wednesday prior to the Architectural Committee Meeting. The Architectural Committee will next meet on

Tuesday, April 10th, 2018 in the Clubhouse Lounge

January Budget Report

Actual year-to-date income of \$323,793 versus year-to-date budgeted income of \$292,241 produced a positive variance of \$31,552.

Actual year-to-date operating expenses of \$136,841 versus year-to-date budgeted expenses of \$116,250 produced a negative variance of \$20,591. The two combined variances produced a positive year-to-date variance of \$10,960.

January Cash Flow Report

Sources / Uses	Operations	Reserves
Beginning Balance 1/1/2018	\$256,783	\$6,219,844
Prior year due to Ops from management		
Plus Income	\$323,793	
Due from Vendor		
Reserve Investment Income		\$4,765
Contributions to Reserve		\$175,991
Less Operating Expenses	(\$136,841)	
Reserve Funding	(\$175,991)	
Reserve Expenditures		(\$234,234)
Receivable from Management	(0)	
Ending Balance 1/31/2018	\$293,930	\$6,166,367

Talking Trees- What You Need To Know

Most of the people I've met here at Nepenthe say they moved here because of the beautiful trees. I know the trees, for me, are a large part of what I enjoy about working here. Sometimes I step out of the clubhouse after a hard day and the trees will just stop me in my tracks- they are so lovely!

The trees, like people, are imperfect. Like us, they are messy. They can be unpredictable and even dangerous although Nepenthe does all it can to minimize the risk by implementing a comprehensive tree care process. By choosing to live and work here we have acknowledged these imperfections and have assumed some risk. Once we move in, if we decide that we no longer want to live with the imperfection and risk, we are not free to exempt our unit. Whether we like it or not, the trees are our neighbors and the best course is to find a way to accommodate the trees.

Indeed, many of our trees in Nepenthe are "Protected Trees" in the City of Sacramento and even the association does not have the autonomy to prune or remove them. The City's Tree Ordinances decree that any tree over 24" in diameter is a protected tree and therefore subject to City approval before any work is undertaken on the tree. The goal of these ordinances is to protect this vital natural treasure that we are so fortunate to enjoy here. The trees are protected in spite of the annoyance they may cause and as a City, we've agreed to prioritize this goal.

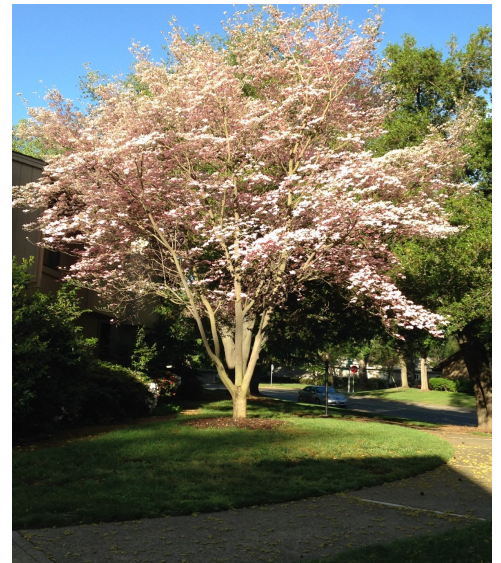
The criteria used by the City to grant a permit is Sacramento City Code SCC 12.56.050. This code states that the requirement for the issuance of a removal permit is that the condition of the tree with respect to disease, danger of falling, or interference with utility services, is such that the public health, safety, or welfare requires its removal; or that the tree or its roots are causing, or threatening to cause, damage to any main structure on the property or on any adjacent property and there are no reasonable alternative means to mitigate the damage or threatened damage while minimizing the impact on the tree. Reasonable alternative means of mitigation include, but are not limited to, cutting tree roots, trimming the tree canopy, or installing a root barrier.

An unfortunate fact about the trees in Nepenthe is that many of them were planted very close to patios and structures. They were planted so close when the property was developed to make the units look attractive to potential buyers. The developer, Robert Powell, had a plan in place to remove many of these particular trees a few years after the homes were built. By that time, however, the Board was no longer developer controlled and the new homeowner Board rejected the removal plan. This is why you will see large Cedars, Ash Trees and Chinese Elms just mere feet from patios and homes.

If you are concerned that a tree is too close to your unit, you are welcome to submit a

written request for an evaluation. Management will place a work order with the Arborist for review. The Arborist's report will be reviewed by the Grounds Committee who will make a recommendation to the Board of Directors. If the Board agrees to the recommended action, whether it is removal or pruning the canopy or roots, the matter will then be referred to the tree care company who will apply for the necessary permit from the City.

If you ever see a tree that appears to be distressed or for which you have some concerns, please email us at Nepenthe.HOA@FSResidential.com or come by the clubhouse to complete a request form so we can have the Arborist take a look at it.



Submit Your Nepenthe News Ideas!

If you have a topic you would like to see in the next months Newsletter, we would love to hear your ideas! Submit your article at least 7 days prior to the monthly Board Meeting. (First Wednesday of each month) You can email to Sarah.Lowrey@fsresidential.com in a Word Doc format or drop off a written article to the office. Please remember, this is a

request. We would love to put every article in the Newsletter but sometimes that is not possible. However your concerns are important to us, and your neighbors. Whether it's a Grounds concern or a suggestion for a fun summer activity don't hesitate to tell us your thoughts and ideas. (Have awesome pictures of Nepenthe? Send those too!)

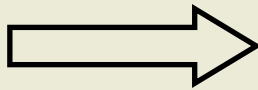
DO NOT FEED THE WILD TURKEYS!

Not only is it against the law, but per the Board of Directors, any Homeowner seen providing food to the turkeys can and will be issued a Violation and possibly assessed fines. Please also keep in mind that feeding the wildlife can have harmful effects to the turkey population



Lost Something?...

...Check With The Office!



Have you recently lost an item somewhere around Nepenthe? If so, remember to check with the office to see if we have had it turned in to our “Lost and Found”. We would love to return the items collected back to each owner.

Parking Updates



New Security Patrol Service

Starting March 1st this year, Nepenthe began using Paladin Security for its security/parking patrols. Recently an email blast was sent out to all homeowners regarding this change. Paladin Security has been in business in Sacramento for many years. Besides providing services to Homeowner Associations, it has a long list of business and private clients. Paladin uses clearly marked patrol cars and have some of the best web-based technology in the business. Paladin will be patrolling both during the day and night seven days a week.

Parking violations will be noted by these patrols in addition to looking for suspicious activities. You can reach them directly by calling 916-331-3175. You can pick up a Paladin magnet with their number at the Clubhouse. Since Paladin is new to Nepenthe, there are bound to be a few glitches. Please, call management with any concerns. Nepenthe is hopeful that Paladin Security will bring positive change in Nepenthe security.

HOW ARE OUR HOA ASSESSMENTS DETERMINED?

WHERE ARE THEY HEADED ?

John Baker
Finance Committee Chair

Owners frequently ask these two questions:

Q) Are our assessments used to fund the Association's operational costs and the Reserve Account?

A) The Reserve Account funds the capital expenditures that are the Association's responsibility. The most significant of these include painting and replacing Unit siding, replacing Owner fencing, installing new roofing, renovating our landscaping, and paving and sealing the private streets. Annually, the Association conducts, through a consultant, a reserve study, which predicts remaining useful lives of its assets, and their replacement costs. The forecast, required by the California Civil Code, extends out 30 years. Currently, of the \$488 monthly dues, \$298 (61%) goes to the Reserve Account.

The largest operational costs and their contribution to the monthly assessments are:

Contract Landscaping Services	\$49.87 / month (~10%)
Flood Insurance	\$42.20 / month (~8.6%)
Onsite Staff and benefits	\$36.44 / month (~7.5%)
Other Insurance	\$13.56 / month (2.8%)
First Service Contract	\$12.20 / month (2.5%)
Gutter and downspout cleaning	\$8.81 / month (1.8%)

Q) Where are our assessments potentially headed?

A) Since 2011, our monthly assessment has increased annually from \$403 to the current \$488. These increases have resulted from the annual reserve study, and increases in operational costs.

Assuming the Board continues to follow the Reserve Study consultant's recommendations that build in an automatic assessment increase of between \$9 and \$11 per month, AND if operational costs continue to increase at 3% annually, , the assessment for the next five years would increase as shown below:

2018 (current)	\$488
2019	\$507
2020	\$524
2021	\$544
2022	\$563

Future years would continue to increase at a similar rate.

President Huffman's February Newsletter article addressing the Board's goals for 2018 stated: "They (the increases) show a future we do not want to happen.....we believe there are ways to reduce the costs of future improvements while maintaining quality. The Finance Committee, working with management and other committees, will lead this effort."



Nepenthe Association
1131 Commons Drive
Sacramento, CA 95825

Phone: 916-929-8380
Nepenthe.HOA@FSResidential.com

Office Hours:
Monday–Friday 9:00 AM to 6:00 PM
Closed for lunch, 1:00 to 2:00 PM
Saturday–Sunday (Winter) 9:00AM to 1:00 PM
Saturday–Sunday (Summer) 12:00 PM to 4:00 PM

www.NepentheHOA.com

Management Staff:

Bettsi Ledesma, General Manager, bettsi.ledesma@fsresidential.com

Sarah Lowrey, Assistant Community Manager, sarah.lowrey@fsresidential.com

Danielle Davis, Administrative Assistant, danielle.davis@fsresidential.com

Roger Work, Facility Administrator, roger.work@fsresidential.com

FirstService Residential Customer Care Center: 1-800-428-5588

PayLease (Auto pay assessments): 1-866-729-5327 or support@paylease.com

Other Important Contacts:

Paladin Security: 916-331-3175 or www.PaladinPrivateSecurity.com

Power Outage: 1-888-456-SMUD

Nepenthe Insurance: Farmers Insurance, Ryan DeShong, 916-636-0115

City of Sacramento (garbage, recycling, city street parking enforcement, etc.): 3-1-1

Board of Directors:

Steve Huffman, President, steve@huffmanstrategy.com, 916-214-4500

Frank Loge, Vice-President, fjloge@outlook.com, 916-920-0752

Christina George, Treasurer, cjadot@comcast.net, 916-921-2793

Linda Cook, Secretary, linda_cook@att.net, 916-847-8996

Craig Price, Member at Large, cepricenca@gmail.com, 916-212-9948

Committees

Board of Directors Open Session Meeting
5:30pm in the Clubhouse on the
1st Wednesday of every month, but in January
the meeting will be held on the 10th due to the
holidays. See you then!

Committee Meetings:

Times, dates and locations of meetings can be
found on the website at
<http://nepenthehoa.com/event-calendar/> or on the
bulletin board outside of the Clubhouse.

Architectural Review Committee

Chair: Jenny Smith

Elections Committee

Chair: Yvonne Del Biaggio

Finance Committee

Chair: John Baker

Grounds Committee

Chair: Pamela Livingston

Insurance, Legal and Safety Committee

Chair: Nancy Arndorfer

Outreach Committee

Chair: Charles Schaffer

Brief Reminders

- ♦ If you have moss on your roof and would like it treated this year, call or email the office to be added to the Moss Treatment List
- ♦ This Sunday March 11th Daylight Savings time begins! Remember to set your clocks 1 Hour forward.
- ♦ While the pools have not been heated yet, both spa's are heated and available for use!

		2018 ZONE WALKS	
FRIDAY			
WALK DATE	ZONE	ZONE STEWARD(S)	COST
January - 5th		No Walk	
January - 12th		No Walk	
January - 19th		No Walk	
January - 26th	7	Renee Mendez	\$9,819.70
February - 2nd	1	Diane Luttrell, Grace Long	\$4,214.50
February - 9th	2	Elsa Morrison, Diana Mortimore	\$9,834.00
February - 16th	3	Lyn Livingston, Mike Herder, Liza Tafoya	\$12,483.00
February - 23rd	4	Kay Chmielewski, Don Landsittel	\$11,511.50
March - 2nd	5	Pam Sechrist	notes outstanding
March - 9th	6	Kathy Waugh, Diana Vizzard	notes outstanding
March - 16th	7	Renee Mendez	Rescheduled
March - 23rd	1	Diane Luttrell, Grace Long	Cancelled
March - 30th	2	Elsa Morrison, Valerie Layne	notes outstanding
April - 6th	3	Lyn Livingston, Mike Herder, Liza Tafoya	
April - 13th	4	Kay Chmielewski, Don Landsittel	
April - 20th	5	Pam Sechrist	
April - 27th	6	Kathy Waugh, Diana Vizzard	
May - 4th	7	Renee Mendez	
May - 11th	1	Diane Luttrell, Grace Long	
May - 18th	2	Elsa Morrison, Diana Mortimore	
May - 25th	3	Lyn Livingston, Mike Herder, Liza Tafoya	
June - 1st	4	Kay Chmielewski, Don Landsittel	
June - 8th	5	Pam Sechrist	
June 15th	6	Kathy Waugh, Diana Vizzard	
June - 22nd	7	Renee Mendez	
June - 29th	1	Diane Luttrell, Grace Long	

July - 6th	2	Elsa Morrison, Diana Mortimore	
July - 13th	3	Lyn Livingston, Mike Herder, Liza Tafoya	
July 20th	4	Kay Chmielewski, Don Landsittel	
July 27th	5	Pam Sechrist	
August - 3rd	6	Kathy Waugh, Diana Vizzard	
August - 10th	7	Renee Mendez	
August - 17th	1	Diana Luttrell, Grace Long	
August 24th	2	Elsa Morrison, Diana Mortimore	
August 31st	3	Lyn Livingston, Mike Herder, Liza Tafoya	
September - 7th	4	Kay Chmielewski, Don Landsittel	
September - 14th	5	Pam Sechrist	
September - 21st	6	Kathy Waugh, Diana Vizzard	
September 28th	7	Rene Mendez	
October - 5th	1	Diane Luttrell, Grace Long	
October - 12th	2	Elsa Morrison, Diana Mortimore	
October - 19th	3	Lyn Livingston, Mike Herder, Liza Tafoya	
October - 26th	4	Kay Chmielewski, Don Landsittel	
November - 2nd	5	Pam Sechrist	
November - 9th	6	Kathy Waugh, Diana Vizzard	
November - 16th	7	Renee Mendez	
November - 23rd		No Walk	
November - 30th	1	Diane Luttrell, Grace Long	
December - 7th	2	Elsa Morrison, Diana Mortimore	
December -14th	3	Lyn Livingston, Mike Herder, Liza Tafoya	
December - 21st		No Walk	
December - 28th		No Walk	
			\$47,862.70



NEPENTHE PARKING NOTICE

Guest or Contractor of a resident?

Welcome! Please ask the person you are visiting for a placard to hang from your rear view mirror.

CSUS Student?

This is private property. Please park elsewhere. Note has been made of your vehicle and is subject to tow if you continue to park here.

Homeowner or Tenant?

While brief loading or unloading is no problem, the expectation is that you will park in your garage so that street parking is available to guests. Thanks for your help in keeping this option open for your neighbors!

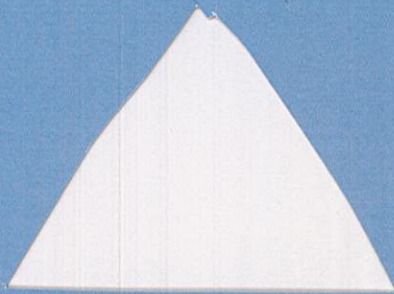
Date	Time	Nearest Address	Make	Model	Color	License Plate

Questions, Concerns?

We're happy to help. See our contact information below:

Nepenthe Association, 1131 Commons Drive, Sacramento, CA 95825

916-929-8380 | nepenthe.hoa@fsresidential.com



GUEST

DAY PARKING PASS

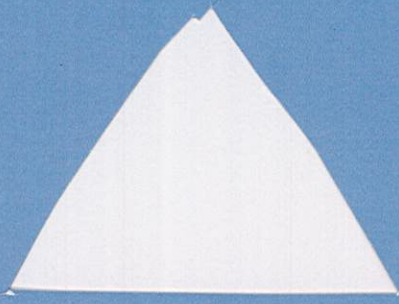
Good Through:

2018



*This permit is to be used for the temporary
day parking of guest vehicles only.

Nepenthe Association Office (916)929-8380



GUEST

DAY PARKING PASS

- This permit is for the temporary guest parking on Nepenthe Private streets **only**
(Dunbarton Circle and Elmhurst Circle)
- NOT VALID FOR PUBLIC CITY STREETS
- Expired permits displayed are subject to citation
- Use of this permit for Homeowner/Resident vehicles may result in citation, revocation of current or future permit(s), or possible disciplinary action from the Board of Directors
- No overnight parking permitted without orange "Overnight Permit" from office
- DO NOT park or leave vehicle in common driveways or alleyways

Good Through:

2018

Nepenthe Association Office

Open M-F 9:00am-6:00pm Weekends 9:00am-1:00pm

(916)929-8380

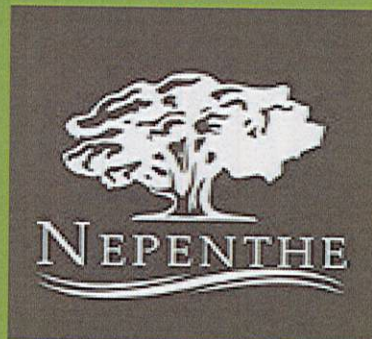


CONTRACTOR

30 DAY PARKING PERMIT

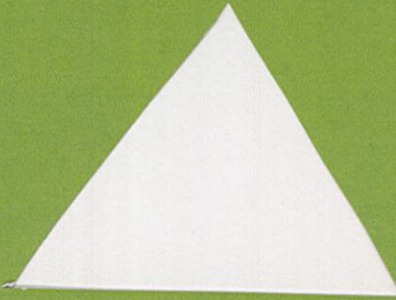
Good Through:

APRIL 2018



*This permit is to be used for the temporary
day parking of contractor and other
professional service vehicles only.

Nepenthe Association Office (916)929-8380



CONTRACTOR

30 DAY PARKING PERMIT

- This permit is for the temporary parking on Nepenthe Private streets **only**
(Dunbarton Circle and Elmhurst Circle)
- NOT VALID FOR PUBLIC CITY STREETS
- Expired permits may result in citation against Homeowner
- Use of this permit for vehicles other than service vehicles or contractors will result in revocation of current or future permit(s)
- No overnight parking permitted
- DO NOT park or leave vehicle in common driveways or alleyways without consent from Management or Board of Directors

Good Through:

APRIL 2018

Nepenthe Association Office

Open M-F 9:00am-6:00pm Weekends 9:00am-1:00pm

(916)929-8380

2018 Master Calendar

Due Date	Item	Complete
1/1	Fiscal Year Begins	X
1/1	Office closed for New Year's	X
1/2	Office closed for New Year's	X
1/9	ARC Meeting 5:30pm	X
1/9	Insurance, Legal and Safety Committee Meeting 5pm	X
1/10	Board Meetings: Closed 4PM, Open 5:30 PM	X
1/12	Nepenthe News published	X
1/12	Assess non-resident owners the flood insurance surcharge	1-Apr
1/22	Finance Committee meeting 3:00 PM	X
1/31	Committee Minutes due in management office	X
1/31	Lock in agendas for Board meetings - 1) Appoint Inspectors of Election, Inspectors to designate address to receive ballots, date, time and location of election, poll closing time, 2) Board to designate "Record Date" 3) Approve proposal for Reserve Study with Site Review	X
2/1	Manager posts agenda and distributes Board packets	X
2/1	Manager to submit required records to CPA for Annual Review	X
2/1	Insurance Agent to conduct annual risk assessment inspection	X
2/7	Board Meetings: Closed 4 PM, Open 5:30 PM	X
2/9	Nepenthe News published	X
2/8	Grounds Committee meeting 3:00 PM	X
2/13	ARC meeting 5:30pm	X
2/13	Insurance, Legal and Safety Committee Meeting 5pm	X
2/19	Minimal Staffing in Office for President's Day	X
2/26	Finance Committee meeting 4:00 PM	n/a
2/28	Committee Minutes due in management office	X
2/28	Lock in agendas for Board meetings	X
3/1	Manager posts agenda and distributes Board packets	X
2/27	Election Committee organizational meeting	n/a
2/27	Pool contractor to inform management of any equipment needs for the pool season	28-Mar
3/7	Board Meetings: Closed 4:00 PM, Open 5:30 PM	X
3/8	Grounds Committee meeting 3:00 PM	X
3/9	Nepenthe News published	X
3/13	ARC meeting 5:30pm	X

2018 Master Calendar

3/13	Insurance, Legal and Safety Committee Meeting 5pm	X
3/20	Manager to mail hearing notices to delinquent owners	n/a
3/26	Finance Committee meeting 3:00 PM	n/a
3/28	Committee Minutes due in management office	X
3/28	Lock in agendas for Board meetings- 1) DQ hearings 2) 4) Accept Annual Review by CPA 5) Risk Assessment Report by agent	X
3/30	Manager posts agenda and distributes Board packets	
4/4	Board Meetings: Closed 4:00 PM, Open 5:30 PM	
4/4	Board President to sign tax returns	
4/7	Mail Annual Review to homeowners in accordance with civil code requirements	
4/7	Manager to notify members disqualified to vote due to delinquent assessments	
4/7	Manager to post candidate statements on websites	
4/7	Nepenthe News published- Slate of Candidates, Candidates' Forum, Election timeline	
4/10	ARC Meeting 5:30 PM	
4/10	Insurance, Legal and Safety Committee Meeting 5pm	
4/12	Grounds Committee meeting 3:00 PM	
4/13	Good Friday	
4/17	Mail notice to Committee Chairs- all committee members must submit new committee applications for appointment at June Board meeting	
4/20	Inspectors to proofread ballot materials	
4/21	Deadline for petitioners to nominate for Board	
4/21	Upload ballot and Resident Information Form to mail house	
4/23	Finance Committee meeting 3:00 PM	
4/24	Committee Minutes due in management office	
4/25	Lock In agenda for Board Meeting	
4/28	Safety Forum- ILS	
5/2	Board Meetings: Closed 3:30 PM, Open 5:30 PM	
5/4	Star Wars Day	
5/4	Nepenthe News published- VOTE reminder first page, sign up for committee service	
5/5	Candidates Forum	
5/8	ARC meeting 5:30 PM	

2018 Master Calendar

5/8	Insurance, Legal and Safety Committee Meeting 5pm DEVELOP AND SUBMIT TO THE BOARD SPECIFICATIONS FOR PROPOSALS BASED ON FIVE YEARS HISTORY OF CLAIMS, INDUSTRY STANDARDS, TRENDS AND REPLACEMENT COST/VALUE PER THE MARSHALL/SWIFT RESIDENTIAL COST HANDBOOK (Per the Standards and Practices for Insurance)	
5/10	Grounds Committee meeting 3:00 PM	
5/11	Deadline for committee applications	
5/23	2018 Annual Meeting	
5/24	Post election results via E-blast and on outside bulletin board and websites	
5/28	Minimal Staffing in Office for Memorial Day	
5/29	Committee Minutes due in management office	
5/30	Lock in agendas for Board meetings - 1) Board Liaisons 2) Committee Appointments 3) Minutes from Annual Meeting are approved for distribution 4) Board to approve Request for Proposal Specifications for transmittal to qualified brokers per Standards and Practices for Insurance	
6/1	Manager posts agenda and distributes Board packets	
6/2	Summer weekend hours begin (12-4)	
6/6	Board Meetings: Closed 3:30 PM, Open 5:30 PM	
6/7	Grounds Committee meeting 4:00 PM	
6/8	Nepenthe News published - election results	
6/12	ARC meeting 5:30pm	
6/12	Insurance, Legal and Safety Committee Meeting 5pm	
6/24	"Jazz by the Pool"	
6/25	Finance Committee meeting 4:00 PM	
6/26	Committee minutes due to management office	
6/27	Lock in agendas for Board meetings	
6/29	Manager posts agenda and distributes Board packets	
7/4	Office Closed for Independence Day	
7/5	Manager begins preparation of next year's budget	
7/10	ARC Meeting 5:30pm	
7/10	Insurance, Legal and Safety Committee Meeting 5pm	
7/11	Board Meetings: Closed 3:30 PM, Open 5:30 PM	
7/12	Grounds Committee meeting 3:00 PM	
7/13	Nepenthe News published	
7/23	Finance Committee meeting 4:00 PM	
7/25	Committee minutes due to management office	

2018 Master Calendar

7/25	Lock in agendas for Board meetings - 1) Reserve Study Approval	
7/27	Manager posts agenda and distributes Board packets	
7/29	"Jazz by the Pool"	
8/1	NO AUGUST (Open or Exec.) Board Meeting Per Board of Directors	
8/3	Nepenthe News published	
8/7	National Night Out	
8/9	Grounds Committee meeting 3:00 PM	
8/14	Insurance, Legal and Safety Committee Meeting 5pm; ILS Committee to meet and review insurance needs	
8/14	ARC meeting 5:30 PM	
8/29	Committee minutes due to management office	
8/29	Lock in agendas for Board meetings 1) Tree Work Bids 2) Overseeding Bid 3) Draft Reserve study & budget 4) Approve Insurance Quote	
9/1	Manager works with agent to ensure Primary Residence Information Forms are being sent to all owners.	
9/1	Manager posts agenda and distributes Board packets	
9/3	Office closed for Labor Day	
9/5	Board Meetings: Closed 4 PM, Open 5:30 PM	
9/7	Nepenthe News published	
9/11	ARC meeting 4:30 PM	
9/11	Insurance, Legal and Safety Committee Meeting 5pm	
9/13	Grounds Committee meeting 3:00 PM	
9/25	Committee minutes due to management office	
9/26	Lock in agendas for Board meetings - 1) Approve Budget 2)Gutter and Roof Cleaning	
9/28	Manager posts agenda and distributes Board packets	
9/29	Annual Education Forum "Living at Nepenthe: What you need to know"	
10/3	Board Meetings: Closed 4:00 PM, Open 5:30 PM	
10/6	Nepenthe News published	
10/7	Winter weekend hours begin (9:00-1:00)	
10/9	ARC meeting 4:30 PM	
10/10	Mail Budget Disclosures to homeowners	
10/9	Insurance, Legal and Safety Committee Meeting 5pm	
10/12	Grounds Committee meeting 3:00 PM	
10/29	Committee minutes due to management office	

2018 Master Calendar

10/23	Finance Committee meeting 3:00 PM	
10/31	Lock in agendas for Board meetings - 1) Flood Insurance renewal	
11/2	Manager posts agenda and distributes Board packets	
11/1	Roof & Gutter Cleaning begins	
11/7	Board Meetings: Closed 4:00 PM, Open 5:30 PM	
11/8	Grounds Committee meeting 3:00 PM	
11/9	Nepenthe News published - include Holiday Décor Policy	
11/13	ARC meeting 9:00 AM	
11/13	Insurance, Legal and Safety Committee Meeting 5pm	
11/22	Office Closed for Thanksgiving	
11/23	Office Closed for Thanksgiving	
11/26	Committee minutes due to management office	
11/28	Lock in agendas for Board meetings - 1) master calendar 2) 2019 Goals Discussion 3) Appoint Nominating Committee	
11/30	Manager posts agenda and distributes Board packets	
12/5	Board Meetings: Closed 3:30 PM, Open 5:30 PM	
12/7	Nepenthe News published	
12/11	ARC meeting 4:30pm	
12/11	Insurance, Legal and Safety Committee Meeting 5pm	
12/13	Grounds Committee meeting 3:00 PM	
12/24	Committee minutes due to management office	
12/24	Office closed for Christmas	
12/25	Office closed for Christmas	
12/26	Lock in agendas for Board meetings: 1) Board Goals for 2019	
12/29	Manager posts agenda and distributes Board packets	
12/31	Closed for New Year's Eve	

From: **arline** aplgate1@att.net
Subject: **Parking Enforcement on Private Streets**
Date: **March 29, 2018 at 5:37 PM**
To: bettsi.ledesma@fsresidential.com
Cc: Nepenthe , General Mgr.



For the many years of residing in Nepenthe , we are pleased to see the strict enforcement of the parking rules on the private streets i.e., Elmhurst and Dunbarton. We initially moved to this community when we were told no parking of resident cars would be on these streets.

It is a wonderful feeling to see this parking enforcement being followed by the management and those residents who have worked diligently to making sure these rules continue to be in force going forward. We are proud to live in a "classic" community , Nepenthe!

Richard & Arline Baca

p/s Betsi, please be sure to include this in the Board Packet by 12 noon on March 30, 2018!

Bettsi Ledesma

From: John Baker <john.a.baker.jr@gmail.com>
Sent: Wednesday, March 28, 2018 2:17 PM
To: Bettsi Ledesma
Subject: Nepenthe Enforcement of Overnight Parking on Public Streets

Bettsi

I'm writing this email to express my objection to how the Association is dealing with the issue of overnight parking on public streets. In my opinion, the Board and the Association management are over reaching and abusing their power to enforce rules that do not exist. This is clearly contrary to the feelings and opinions of a significant portion of the community.

The Board and Association tried twice to institute an overnight parking prohibition. A CC&R Amendment failed, and proposed rules failed to get a motion for Board approval. The Association instead elected to issue parking guidelines which only discourage overnight parking. Nevertheless, the Board has elected to enforce an overnight parking prohibition. Clearly, the Board has broadly interpreted the existing CC&R language to attempt to enforce this prohibition. The current CC&R language does NOT explicitly prohibit overnight parking, and you have even admitted, in writing, that the language is "nonsensical".

Further, the process for this "enforcement" has been secretive and behind closed doors. The appointment of the Board subcommittee for parking enforcement was done at a Board in early January that was barely if even noticed. The "hearings" dealing with the "violators" have also gone unnoticed except for those owners involved. I suspect that most owners in Nepenthe are not even aware that these hearings are taking place.

The management was given direction last Fall to work with the Board to enforce the existing CC&R requirements and to work with the City of Sacramento to deal with "problem areas". To date, there has not been an open report back to the community on these efforts.

I request that at the next Board meeting, scheduled for April 4, the following questions be addressed.

1. In the 40+ years of Nepenthe existence, how have the CC&R's evolved regarding parking and have there previously been attempts to enforce an overnight parking prohibition?
2. What is the status of discussions with the City of Sacramento? My contacts at the City inform me that there appears to be insufficient parking density to warrant further J permit requirements.
3. How many notices of parking violation have been issued?
4. How has the Board determined to whom to send these notices?
5. How many "hearings" have been held?
6. How many fines have been levied and how many variances have been granted?
7. What is the basis for determining the fines?
8. How much staff time has been expended on this issue?
9. How much has the Associations General Counsel been involved and at what cost?

It is apparent that the Association has involved its outside counsel in this matter and has proceeded with its blessing. I'm sure that if asked, the outside counsel would admit that there is very little case law available to determine precedent in this matter. It appears that the Association is instead making broad use of its "nuisance" abatement powers. That, however, is beside the point. What is germane is the Board's ignoring the will of a significant portion of the community by attempting to enforce a set of rules that, again, do not exist.

Respectfully,

John Baker

March 29, 2018

Richard and Deborah Grutzmacher
219 Elmhurst Circle
Sacramento, CA 95825

To the Nepenthe Board,

I am writing this letter in support of the recent parking changes instituted in the Nepenthe Community for the private streets.

Before these changes our street was inundated with student parking. The long line of cars starting in front of 210 Elmhurst and extending down to Vanderbilt Way was unsightly and unsafe. The majority of these cars belonged to students, as we saw them arrive and leave via the direction of the Guy West Bridge, toting backpacks, placing or removing sun shields in their cars.

Allowing people to park in this community unchecked and unknown to residents causes not only an esthetic issue, it also causes safety and security issues all of which will ultimately lower our property values and detract from people wanting to live here. It is much easier to tell a prospective homeowner that we have strict parking regulations in force and good security in place rather than explaining the cars cluttering the private streets that are narrow, curved and have no sidewalks, forcing pedestrians to walk in the middle of the street.

The Guy West Bridge was built by the developers of Campus Commons specifically to link this community to CSUS, which now has documented and unmanageable parking issues (see attached article). To the students, given the options of parking and taking a shuttle bus in from the other side of Hwy 50, catching a shuttle from the 65th Street light rail station, or taking up to an hour to find parking, would easily choose to park for free all day in our community.

We need to be competitive with other communities such as McKinley Village and the soon to be built Sutter Park in attracting and providing residents with a safe and secure atmosphere, and rolling back these parking regulations would be counterproductive to that.

Thank you,

Deborah Grutzmacher



One way for pedestrians and cyclists to get to Sacramento State University is via the Guy West Bridge from Campus Commons. **Ed Andersen** - Ed Andersen



Back-Seat Driver

Tony Bizjak writes about traffic and travel in the Sacramento region

BACK-SEAT DRIVER

Sacramento State parking is as bad as ever. Here's what the school is doing about it.

BY TONY BIZJAK
tbizjak@sacbee.com

September 11, 2017 05:00 AM
Updated September 12, 2017 07:49 AM

The start of the school year can be hectic. At Sacramento State though, a predominantly commuter school, the problem starts long before students get to class.

Parking spots on campus are fewer this fall because of construction on what used to be parking lots. At the same time, the student population has hit an all-time high of 30,850.

The result: a fresh round of complaints from students as well as from some nearby residents annoyed by students parking on neighborhood streets.

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On the online Reddit Sacramento forum, the situation has prompted debate and reminiscences from more than a few former students.

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“I graduated in ’03, parking sucked then too!” one wrote.

Hey, it goes further back than that. I took classes there in 1985, and remember calculating an extra 15 minutes into my drive to make sure I’d find a spot and get to class on time.

Sacramento was building a light-rail line at about that time, and considered bringing it onto campus. But school officials were against it. They thought it would bring “an undesirable element to campus,” according to a university memo from back then.

Since then, campus parking areas have spread lava-like across the landscape. This semester, officials expanded an off-campus parking lot on the other side of Highway 50 near Ramona Avenue, creating space for 1,000 cars. It’s so far from campus they had to hire Sacramento Regional Transit to shuttle students to school every 15 minutes on buses.

Tony Lucas, the campus transportation and parking chief, also signed a deal with owners of the nearby McAuliffe baseball complex to use their parking lot, and he had crews smooth out a

narrow dirt patch near Folsom Boulevard to squeeze in a few more cars.

The parking crunch is about to improve, though. It will get a bit better this month when the class add/drop deadline passes, and will ease even more in the spring when fewer students are enrolled. By then, a new 1,750-space garage on campus should be finished.

To make things a bit easier for students and staff, campus officials now offer an online app that shows parking availability in real time for lots and garages, via color-coding: green, yellow and red. That should reduce time spent circling around looking for a spot, Lucas said.

Lucas has a bigger goal in mind. Sacramento State is going to be a commuter college for the foreseeable future. But he wants to reduce the number of students who make that commute in a car alone. “That is not a sustainable model,” Lucas says.

He said the campus hopes to have a ride-sharing program up and running this semester in partnership with the Zimride company, which is active on other campuses. The school, which until recently was bike-unfriendly, has been taking steps to make it easier to pedal around campus, adding green bike lanes and expanding bike parking.

The school also has expanded shuttle bus hours to 10:30 p.m. for the shuttle between campus and the 65th Street light rail station. That station, the closest to campus, is nearly a mile from the University Union via the Hornet Crossing tunnel shortcut. Student bus and rail fares are covered by the school fees they pay.

It doesn’t erase the bad decision made 30 years ago. But it reflects positive culture change.

“We love our partners at light rail,” Lucas said. “It’s too bad we don’t have it on campus. But we’ve done some things to make it seem closer.”

“



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Tony Bizjak: 916-321-1059, @TonyBizjak

March 27, 2018

To the Nepenthe Board of Directors,

In July of 2016, I moved in to care for my mother, Ilse Spivek, who has Alzheimer's. In the twenty years that my mother has lived at 201 Dunbarton Circle, we have never had difficulty with guests and service providers parking on Dunbarton during the day. But in the past month the following of our daytime guests have received a ticket indicating that they were in violation of the Nepenthe parking rules on a private street: a Hospice nurse, a Hospice social worker, a daytime caregiver and a personal friend. None of them were parked in front of a walkway, in front of homes or blocking access to mailboxes. When I inquired at the office I was told that the new security company was merely enforcing rules that have always been in place but not previously enforced. I was told that I needed to register the license plate, make and model of the cars of regular visitors which we have never been told we had to do before. I have been in compliance with this, so far I have registered seven cars and anticipate registering more.

This change in procedure is confusing to me as I can not locate anywhere in the Nepenthe rules that guests and service people can not park on Dunbarton during the day or that we are supposed to register them when they do. Since I feel stupid that I can not locate the rules and I want to be sure that I am in compliance, I AM REQUESTING A **WRITTEN** COPY OF THE RULES THAT CLEARLY STATE NEPENTHE RULES AND PROCEDURES REGARDING GUESTS AND SERVICE PEOPLE PARKING ON PRIVATE STREETS DURING THE DAY.

If, as I suspect, there are no rules prohibiting guests and service people from parking on Dunbarton during the day as long as they are not blocking walkways, access to mailboxes or views, I am requesting a **WRITTEN EXPLANATION AND APOLOGY** FROM THE BOARD AS TO WHY OUR GUESTS RECEIVED A TICKET SCARING THEM BY STATING THAT THEY WERE IN VIOLATION OF NEPENTHE PARKING RULES AND POSSIBLY COULD BE TOWED AT THEIR OWN EXPENSE.

I understand that the Board is trying to prevent residents and Sac State students from parking on private streets, but there seems to be no clear procedure in place to enforce that rule. I have been told that figuring this out is a "work in progress" which has caused a lot of needless confusion and upset to many of the residents on our street BY CONFUSING THAT ISSUE WITH THE POLICY REGARDING DAYTIME GUEST PARKING.

In addition, I am hosting a gathering at the Dunbarton cabana on the first Sunday of each month and will be expecting about 20 cars to be parking on Dunbarton during that time. My guests have been told to park on Dunbarton as I was directed to tell them before this crazy parking fiasco started. I am also requesting **WRITTEN PROCEDURE REGARDING GUEST PARKING DURING EVENTS AT THE DUNBARTON CABANA** so that I can be sure to be in compliance.

Furthermore, because residents expressed our confusion and upset to the office management staff who were told to tell us that the security was following long term previously unenforced policy (which is not true regarding daytime guest parking), I think you certainly owe the front desk office staff **A BIG APOLOGY**. In addition to obviously interrupting their regular duties by making them listen to our complaints as well as having to register numerous vehicles, it is also most obvious that you have placed Danielle and Sarah in a what must be most difficult and uncomfortable position. It is quite apparent that your poor handling of this issue has probably caused them a lot of unnecessary stress as well as interfered with their positive relationship with residents.

Most Sincerely,

A handwritten signature in cursive script that reads "Beverly Spivek Morris".

Beverly Spivek Morris
201 Dunbarton Circle

Bettsi Ledesma

From: Laraine Silberstein <larasilb@gmail.com>
Sent: Sunday, March 25, 2018 5:36 PM
To: Bettsi Ledesma; steve@huffmanstrategy.com
Cc: Laraine Silberstein
Subject: Issues with Parking Rules, Nepenthe.

Hi, I would like to bring to the Board's attention that in my opinion and corroborated by many residents who live in Nepenthe and who express their views on Nextdoor Neighbor, that the new parking rules are causing much consternation. Many people have received citations as did the gardener who works for me and had parked outside my house where he has always parked.

I thought we had cleared up the parking issues last year when we voted if we wanted changes. I was informed at the time that the majority of people did not want changes, so did the Board take it upon themselves to make the changes without a majority consensus?

I can understand that we may want security at night like after 11.00pm as I think there were issues with car windows being broken after 11.00pm, however, during the day when this place is busy with workers, contractors, guests visiting etc., it seems like a burden both on the residents and the person to receive calls all the time to get permission to park outside your own home. This seems to be excessive, punitive, inconvenient, an invasion of privacy, and unnecessary.

There has to be a better way. Perhaps Nepenthe residents can get a plastic sticker that doesn't actually stick that can be used on different cars if necessary, or maybe we could be issued guest passes that can be shown in guest's cars and can be used during the year at our discretion. People who park on Commons Dr. show a parking permit and they can park there without harassment. Can't we copy that model?

Out of interest, how much more are we paying Paladin Security for the extra hours during the day?

I am hoping that the Board will address my and many other's concerns as soon as possible.

Sincerely,

Laraine Silberstein

March 25, 2018

Nepenthe Board of Directors

Having participated in a small way in my twenty plus years in Nepenthe, I have some understanding of the complexities of managing this special community. I generally try to approach the Board with only positive comments as I understand that Board membership is a thankless job. However, I am currently concerned about the parking issue that is again raising its ugly head.

I recently moved to the cul-de-sac on Elmhurst Circle, but I am starting to doubt that decision. At my previous Vanderbilt address my friends had to walk quite a distance from their cars to visit me. Now, I thought they could park adjacent to my house and enter after a short walk, a great benefit as my friends are aging. I have discovered that, while my house has the most adjacent parking, it also has the most parked cars in front of it.

WAIT! You probably think that I am going to complain about the people parking there to visit people on my street or walk to the University. NO. I am complaining about your newly and I think secretly instituted rules. One day I saw my friend Roger Work posting the attached notice on a car in front of my home. When I asked about it he said it was the new rule that we must get permission for every car parked there during the day, no matter how briefly they are there. Later that day I read the notice and realized it says nothing about day time parking on the private streets in general. It does say "short term guests are certainly welcome to park on the private streets." I am aware of the need for a permit for overnight parking and take no issue with that. I then assumed that Roger was misinformed, and it would get straightened out. Then a couple days ago another car was "ticketed" during the day by the new security company. The car had not been there long, and I saw no reason for them to even get a warning. They were not parked in front of a window, a walkway, or a mailbox, though the ticket said they were. I do not know who owned that car and I am sure security did not know either. What does "short term" mean and who decides?

I have friends who like to drop in for 20 minutes to an hour. I have a daughter and grandchildren who come by to help me with chores or just stop to say hello for a few minutes. Do you really want me distracting the office staff from their important business to call and tell them that my grandchildren came by to give Nana a hug and climb on a ladder for a minute to change a light bulb? Even my window washers are out of here in short order. Whoever made this decision did not think it through and I am not sure what authority they have to implement it.

Yes, it can be irritating when I have friends arriving and there is no close parking for them. But sometimes my leg or my arm ache and I do not ask to have it cut off. Why should we cut out all parking because it is sometimes inconvenient for us? I do not have any more right to the parking in front of my house than my neighbors do. And do not paint my walkway red! That would be so ugly in our beautiful neighborhood.

Yes, parking is a complicated issue, but do not make it worse than it is. There are many things here that Bob Powell did not plan well, and parking is one of them. When I see a car parking day after day in front of my house, I am happy to inform the office, but do not feel we must restrict all parking because of a few inconsiderate people.

Thank you for what you do, most of the time. Notice of this decision was poorly planned. You have managed to get the neighborhood upset again. A self-inflicted wound. If you can give me a pass like a J-pass that I can just hand to a short-term visitor for their dashboard, that would be great. All the complainers on Next-door should just start calling the office every time a short-term visitor arrives. I am sure that in short order management will tell you "Enough is enough!"

Diana Vizzard, 324 Elmhurst Circle





NEPENTHE ASSOCIATION PARKING GUIDELINES

Residing in Nepenthe is a wonderful living alternative for those seeking a community environment that includes great amenities and a parklike setting. In addition, the Nepenthe CC&Rs (Article III, Section 3.3(a) and rules provide a structure for respectfulness and accommodation of all Nepenthe residents. In this spirit, it is important to remind ourselves that parking is a major aspect of community interaction. Outlined below are some important points to remember when parking here in Nepenthe.

PRIVATE STREET RESIDENTS

Because our private streets are too narrow to allow parking on both sides of the street, private street residents who live on the parking side are asked to bear a disproportionate burden. Cars are often parked in front of entry walkways and living room windows. To improve this situation, residents are reminded to instruct their guests and contractors not to park:

- in front of walkways, especially home entrance walkways
- blocking access to mailboxes
- in front of windows of homes that directly face onto the street

The Board is hoping that general community compliance will avoid the necessity of painted red lines to designate these as No Parking zones.

And please remember that private street residents are to always park in their garages except for brief loading and unloading. Short term guests are certainly welcome to park on the private streets. However, overnight parking is prohibited unless a permit is issued by the Nepenthe Management.

PUBLIC STREET RESIDENTS

Minimizing street parking helps improve the aesthetics of our community. Streets are for parking of guests, contractors and short periods for our residents.

Residents living on city streets within Nepenthe are to park their cars in garages. Overnight street parking is discouraged. If there are circumstances where overnight parking is necessary, please contact Nepenthe Management.

Parking on city streets should not be:

- blocking access to mailboxes
- in front of windows of homes that directly face onto the street

J-Permits can be obtained from the City of Sacramento. These allow a resident to park longer than the two-hour limit set by the City on streets within Nepenthe and some surrounding community streets during the hours the City parking restrictions are enforced. J-Permits do not override the Nepenthe Community documents requiring garage parking nor Nepenthe's encouragement that street parking be limited by residents to guests.

Remember, parking affects all residents and we all can make this community such a pleasure to live in by following the community rules.

Bettsi Ledesma

From: William J Vizzard <vizzardw@gmail.com>
Sent: Wednesday, March 21, 2018 4:31 PM
To: Bettsi Ledesma
Subject: for board re parking

I fear that the imposition of new parking regulations on the private streets during the daytime with little or no notice to residents is a mistake. Even if this policy were a prudent and necessary one, it should not be undertaken without very specific notice to home owners and an extended discussion. I encourage the board to give serious consideration to suspending action until this can be done.

I also have serious question about the wisdom of the policy as well as its implementation. The policy seems to be that parking permits are required for day time and evening visitors. I foresee a number of problems with such a policy.

- It will impose a significant additional burden on office staff
- It provides no option for visitors who come on short notice during hours when office is closed
- It will further exacerbate the parking issues on Commons and Vanderbilt
- It has already created hostile reaction among a number of residents
- It seems to be a solution that generates more problems than it potentially solves.

If the goal is to prevent persons parking on the private streets when they are not guests of residents or working for a resident, then that should be the stated rule. Residents soon become aware of persons repeatedly parking in the area and walking out of Nepenthe. We can simply request that residents report these vehicles. This will not catch the occasional parker, but will allow action against the repeat offender.

**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING
March 9, 2018, 9:30 AM**

Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

SPECIAL OPEN SESSION MINUTES

I. CALL TO ORDER

Present	Board Member	Positon
X	Steve Huffman	President
X	Frank Loge	Vice President
	Linda Cook	Secretary
	Christina George	Treasurer
X	Craig Price	Member at Large

II. HOMEOWNER FORUM: No owners spoke during the open forum period.

III. NEW BUSINESS

a. **Meet with Robert Browning of Browning Reserve Group**

Bob explained the methodology for the Reserve Study with Site Visit. He also explained the timeline, reviewed the association's funding goal and funding methods with the attendees which included Finance Chair John Baker and committee members Joan Haradon and Susan Timmer. The site visits will be beginning Monday, March 12. Anticipated completion date for this year's Reserve Study: May 1, 2018.

No Board action.

b. **Discuss March Newsletter**

The Chair of the Finance Committee was invited by the President to provide a newsletter article based upon the minutes provided to the Board at the February Open Session. The proposed article was reviewed for inclusion in the March Newsletter.

IV. NEXT MEETING: Wednesday, April 4, 2018 at 5:30 pm in the Nepenthe Clubhouse

V. ADJOURN: 11:00 am



**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 7, 2018 5:30 PM
NEPENTHE CLUBHOUSE
1131 COMMONS DRIVE
SACRAMENTO, CA 95825**

OPEN SESSION MINUTES

I. CALL TO ORDER: 5:30 PM

Present	Arrival	Board Member	Position	Departure
X	5:20 pm	Steve Huffman	President	7:00 pm
X	5:20 pm	Frank Loge	Vice President	7:00 pm
X	5:20 pm	Linda Cook	Secretary	7:00 pm
X	5:20 pm	Christina George	Treasurer	7:00 pm
X	5:20 pm	Craig Price	Member at Large	7:00 pm

II. ANNOUNCEMENT - EXECUTIVE SESSION MEETING

In accordance with Civil Code Section 4935(a) the board met in Executive Session on March 7, 2018, in order to consider matters relating to member discipline, and the formation of third-party contracts.

III. COMMITTEE UPDATE & INVITED GUESTS

A. ROOF INSPECTION REPORT

CM2 presented a follow up report on the roof inspections in Nepenthe. The inspections are complete and data is still being analyzed. A full report to be given at April Open Session.

B. ARCHITECTURAL REVIEW COMMITTEE

Committee has provided minutes of their last meeting held February 13, 2018. The applications recommended for approval are captured on the Consent Calendar.

C. FINANCE COMMITTEE

The Finance Committee has not met since their last meeting on January 22. Their next meeting will be with the Reserve Specialist Bob Browning on March 9.

D. GROUNDS COMMITTEE

The Committee met on February 8. Their minutes are enclosed for Board review.

E. INSURANCE, LEGAL & SAFETY COMMITTEE

The committee met on February 13, 2018. Their minutes are enclosed for Board review.

F. OUTREACH COMMITTEE

The committee met on February 27, 2018. The appointment of a new committee member is on the Consent Calendar.

G. NOMINATING COMMITTEE REPORT

In conformance with the Nepenthe Bylaws, the Nominating Committee submits its report to the Board. Linda Cook and Jan Summers are the nominees for the two open director positions.

IV. REPORTS

A. MANAGER'S REPORT

General Manager Bettsi Ledesma provided a written report with the following highlights:

- 1) Notice from City of Sacramento regarding water meter installation has been responded to.
- 2) Phase III Siding and Painting project is on Schedule and nearing completion.
- 3) New Security Patrol Company Paladin Security began its contract on March 1st, 2018.

B. MASTER CALENDAR REPORT

Action: Reviewed & Filed

V. HOMEOWNER FORUM

A number of Homeowners addressed the Board on various items.

VI. CONSENT CALENDAR

In an effort to expedite the board meetings, Management has placed several business items on a Consent Calendar. Please review the items prior to the meeting so that you may have your questions answered in advance.

Resolution: That Consent Calendar items A. - E. are approved as presented.

Motion: Linda Cook

Second: Craig Price

Vote: All in Favor

Begin Consent Calendar

A. APPROVAL OF MINUTES

Proposed Resolution: The Open Session minutes dated February 7, 2018 be approved as presented.

B. FINANCIAL STATEMENT

Proposed Resolution: The Board accepts the January 2018 interim financial reports and bank reconciliations as presented, subject to annual review. The report reflects a positive year to date variance of \$10,961 and reserve funding of \$180,757 compared to the reserve funding budget of \$175,991. The reserves are funded through January 31, 2018. The association has \$293,930 in operating funds, which represents 1.01 months of budgeted expenses and reserve contributions. The association has \$6,166,367 in reserve funds.

C. LIEN APPROVAL

Per the enclosed resolution dated February 21, 2018, Management is requesting authorization to place liens on the following accounts should the delinquent assessments not be paid within the time period established in the intent to lien letter.

Account Number	Total Amount Due
2310-01	\$887.24

D. ARCHITECTURAL APPLICATIONS

Address:	Application For:
1293 Vanderbilt Way	Replace one patio slider with half wall and window.
1333 Commons Dr.	Window replacements
1125 Commons Dr.	HVAC Replacement
1242 Vanderbilt	Emergency Approval- HVAC Replacement

The Architectural Review Committee met on February 13, 2018 to review the listed applications. The committee recommends approval of these applications.

Proposed Resolution: The Board approves the home improvement applications as recommended by the committee.

E. COMMITTEE APPOINTMENT

Homeowner Susan Schepker has submitted an application to serve on the Outreach Committee. Her completed application and signature pages on the Conflict of Interest agreement has been received.

Proposed Resolution: The Board appoints Susan Schepker, a member in good standing to serve on the Outreach Committee.

VII. NEW BUSINESS

A. DISCUSS TURKEYS IN NEPENTHE

The Board discussed Nepenthe's turkey population which has increased annually. There are areas within Nepenthe where homeowners' quality of life is significantly impacted by the presence of turkeys. Specifically, there are a number of "roosting" trees where the turkeys sleep at night, creating an unhygienic mess on alleys, walkways and patios.

Resolution: The Board approved Management's recommendation and asks for Managements' assistance in inviting wildlife management experts to speak at the next Open Session Board meeting to provide recommendations with regard to the growing wild turkey population.

Motion: Frank Loge

Second: Christina George

Vote: All in Favor

B. CEDAR TREE AT 711 ELMHURST CIRCLE

At the July 5, 2017 Board meeting, the directors voted to approve the homeowner's request to remove the cedar located next to the garage of the unit. The permit was applied for by the Association's Arborist, Paul Dubois, but the City denied the application.

The City's denial stated that the tree did not meet the requirements under the Sacramento City Code SCC 12.56.050. This code states that the requirement for the issuance of a removal permit is that the condition of the tree with respect to disease, danger of falling, or interference with utility services, is such that the public health, safety, or welfare requires its removal; or that the tree or its roots are causing, or threatening to cause, damage to any main structure on the property or on any adjacent property and there are no reasonable alternative means to mitigate the damage or threatened damage while minimizing the impact on the tree.

Reasonable alternative means of mitigation include, but are not limited to, cutting tree roots, trimming the tree canopy, or installing a root barrier.

Mr. Dubois, Arborist from The Grove Total Tree Care advised the Board that an exploratory permit may be granted for investigating whether roots may be damaging the foundation of the home.

Resolution: The Board approves Paul Dubois to submit application to the city for examining the root system of the tree. Mr. Dubois to give report at next Open Session meeting.

Motion: Linda Cook

Second: Craig Price

Vote: All in Favor

C. ARCHITECTURAL APPLICATION- 1310 COMMONS DRIVE

In this 5000F model, the installation of a solar voltaic electricity-generating system. The ARC requested further information about the system and location of its

installation. The ARC met with a representative from Tesla to have him/her explain the technical drawings.

The committee voted to recommend denial of the application.

Resolution: The Board approves Architectural Application for 1310 Commons Drive as is.

Motion: Linda Cook

Second: Craig Price

Vote: Steve Huffman, Craig Price and Linda Cook in Favor.
Frank Loge and Christina George Against.

D. ARCHITECTURAL APPLICATION-816 ELMHURST CIRCLE

This application is for a modification to, in this 5500 model, the installation of an attic fan in the garage that was approved by the ARC and Board in January, 2018.

Requested is a solar component to the unit: a small vertical solar panel would be installed on the garage roof to power the attic fan. The ARC viewed the presence of a small upright panel on the roof as constituting a hazard to the roof workers and an impediment to replacing shingles.

The ARC does not want to see wires run from this solar panel across the roof and siding; also, the ARC sees the panel as being unsightly. The Architectural Review Committee does not recommend approval.

Resolution: The Board denies the application for solar component installation to garage/attic fan.

Motion: Steve Huffman

Second: Craig Price

Vote: All in Favor

E. ARCHITECTURAL APPLICATION-907 DUNBARTON CIRCLE

In this 5500A model, requested is the approval of a “doorbell camera.” The application was submitted in December. The ARC needs further information regarding the camera placement, location and brand. The Architectural Review Committee does not recommend approval of this application.

No Action: The Board needs further information regarding the camera placement, location and brand.

F. EMERGENCY PLANNING

The Directors will discuss charging the Insurance, Legal and Safety Committee with investigating emergency preparedness plans.

FirstService offers emergency preparedness plans for an additional fee. Other resources are available- some from local agencies, some from for profit companies. Committee will investigate options and make recommendations to the Board.

Resolution: The Board charges the Insurance, Legal and Safety Committee with researching emergency preparedness plans and coming back to the Board by August with a recommended plan.

Motion: Linda Cook

Second: Craig Price

Vote: All in Favor

G. RECOGNIZE THE NEPENTHE NETTERS AND THEIR OPERATIONAL GUIDELINES

Pickleball has become a very popular activity at Nepenthe. So much so that there are a number of non-residents that enjoy playing at our clubhouse courts.

A group of resident players prepared operational guidelines for the group and is requesting the Board formally recognize the group and accept the guidelines.

No Action: The Board needs more information from a resident player involved in Pickleball. No such member was present.

H. PROCESS FOR HOMEOWNER REIMBURSEMENT FOR ASSOCIATION-RELATED EXPENDITURES

Management is requesting the Board authorize the General Manager to approve homeowner reimbursements for events and various clubhouse improvements not to exceed \$300 for a single purchase or event.

Resolution: The Board authorizes the General Manager to approve homeowner reimbursements for events and various clubhouse improvements not to exceed \$300 for a single purchase or event.

Motion: Linda Cook

Second: Frank Loge

Vote: All in Favor

I. CHARGE TO THE COMMITTEE ON SIDING LONGEVITY

The Board adopted as one of their goals to form a committee for the purpose of investigating options for extending the life of our siding. The Directors reviewed the charge to the committee prepared by President Huffman.

Resolution: The Board adds an item #7, to consult with the Finance Committee. Committee to review recommendation before it is submitted to the Board.

Motion: Linda Cook

Second: Christina George

Vote: All in Favor

VIII. HOMEOWNER FORUM

A number of Homeowners addressed the Board on various items.

IX. NEXT MEETING

The next Board of Directors meeting is scheduled for Wednesday, April 4, 2018 at 5:30 PM at the Nepenthe Clubhouse.

X. ADJOURN: 7:00PM

NEPENTHE ASSOCIATION
CASH BASIS FINANCIAL STATEMENTS
FOR THE MONTH AND TWO MONTH(S) ENDED
FEBRUARY 28, 2018

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THE ACCOMPANYING FINANCIAL STATEMENTS ARE SUBJECT TO AUDIT
AND ARE ONLY INTENDED FOR THE ASSOCIATION'S INTERNAL USE.

PREPARED BY:



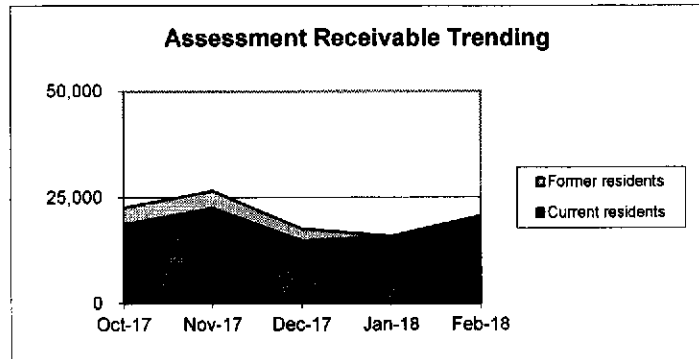
FirstService
RESIDENTIAL
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NEPENTHE ASSOCIATION
FINANCIAL SUMMARY
Fiscal Year End: December 31, 2018
For the Month Ended: February 28, 2018
CASH SUMMARY

	<u>This month</u>	<u>Last Month</u>	<u>Change in Cash</u>	
Operating cash	294,794.59	293,930.26	Increase in Cash	864.33
Reserve Cash General Reserve	6,207,380.85	6,166,366.68	Increase in Cash	41,014.17
Adj Operating Cash (see note 1)	200,407.42	187,089.41	Increase in Cash	13,318.01
Average budgeted expenses / month		292,241.00		
Average # of months of available cash		1.01		
Percent Funded Per 2016 Reserve Study		41%		

ASSESSMENT SUMMARY

Monthly Assessment Budget	287,921.00
Assessment Cash Received	270,600.54
<u>Total Assessments Receivable</u>	
0-30 days (see note 1)	12,080.16
31-60 days late	4,818.60
61-90 days late	1,337.24
<u>over 90 days late</u>	<u>2,522.95</u>
Total Assessments Due	20,758.95
<u>Other Receivable</u>	7,153.16
Total Owners Receivable	27,912.11
Past Residents Assessments Rec.	0.00
Prepaid Assessments	94,387.17


OPERATING SUMMARY

Category	February Expenses	YTD Expenses	YTD Budget	YTD Variance	Negative YTD Variances > \$2500
Utilities	7,595	16,908	17,050	142	
Landscape	60,000	60,000	61,000	1,000	
Common Area	30,872	75,982	22,690	(53,292)	Gutter & Downspout cleaning
Management/On-Site Admin	34,882	75,502	67,306	(8,196)	Mgmt Reimb, On-Site Staff, General Counsel
Insurance	31,068	72,866	64,454	(8,412)	Insurance
Total Operating Expenses	164,417	301,258	232,500	(68,758)	Spending overbudget year-to-date

RESERVE SUMMARY

Contribution to Reserves this month:	175,991.00	Rsv Disbursement this month:	137,499.46
Contribution to Rsvs Year-to-Date:	351,982.00	Rsv Disbursement YTD:	371,733.74
Interest on reserve funds Year-to-Date:	7,288.62		

ITEMS OF NOTE

1. Adj Operating Cash is calculated by Operating Account Funds minus Prepaid Assessments.
2. In a month with 31 days, assessments owed for that month would be reflected under 31-60 days late.

Nepenthe's Year To Date Cash Flow

Sources/Uses		Operations	Reserves
Beginning Balance 1/01/2018		256,783	6,219,844
Prior year Due from Management			
Plus	Income	638,878.36	
	Reserve Investment Income		7,288.62
	Contributions to Reserves		351,982.00
	Pending Reserve Expense		
	Accounts Payable	52,373.34	
Less	Operating Expenses	(301,257.83)	
	Reserve Funding	(351,982.00)	
	Reserve Expenses		(371,733.74)
Ending Balance 2/28/2018		294,795	6,207,381

Budget Report

Actual year-to-date income of \$638,878.36 versus year-to-date budgeted income of \$584,482 produced a positive year-to-date income variance of \$54,396.36

Actual year-to-date operating expenses of \$301,257.83 versus year-to-date budgeted expenses of \$232,500 produced a negative year-to-date operating expenses variance of (-\$68,757.83)

The two combined variances produced a negative year-to-date variance of (-\$14,361.47)

Other Information

Unpaid assessments at February 28, 2018 were:	\$	20,759
Prepaid assessments at February 28, 2018 were:	\$	94,387

NEPENTHE ASSOCIATION COMPARATIVE BALANCE SHEET 02/28/2018

03/15/2018 11:45 AM Page: A 1

c/o FirstService Residential
 15241 Laguna Canyon Rd
 Irvine CA 92618

FirstService Residential CA
 15241 Laguna Canyon Road
 Irvine CA 92618

	CURRENT MONTH	PRIOR MONTH

CASH AND INVESTMENTS		
OPERATING ACCOUNT FUNDS	294,794.59	293,930.26
PETTY CASH	150.00	150.00
RESERVE ACCOUNT FUNDS	<u>6,207,380.85</u>	<u>6,166,366.68</u>
TOTAL CASH AND INVESTMENTS	6,502,325.44	6,460,446.94
OTHER ASSETS		
DUE FROM VENDOR-DAIOHS FIRST CHOICE	101.78	101.78
TOTAL OTHER ASSETS	<u>101.78</u>	<u>101.78</u>
TOTAL ASSETS	<u><u>6,502,427.22</u></u>	<u><u>6,460,548.72</u></u>
LIABILITIES		

ACCOUNTS PAYABLE	<u>52,373.34</u>	<u>26,186.67</u>
TOTAL LIABILITIES	52,373.34	26,186.67
MEMBERS EQUITY		

GENERAL RESERVE FUND BALANCE	6,207,380.85	6,166,366.68
OPERATING FUND BALANCE-BEG OF YEAR	257,034.50	257,034.50
CURRENT YEAR INCOME/(LOSS)	<u>(14,361.47)</u>	<u>10,960.87</u>
TOTAL LIABILITIES & MEMBERS EQUITY	<u><u>6,502,427.22</u></u>	<u><u>6,460,548.72</u></u>

Entity: NEP NEPENTHE ASSOCIATION

FirstService Residential CA
15241 Laguna Canyon Road
Irvine, CA 92618

As of date: 02/28/2018

Account				Type	Inv Acct	Maturity	Rate	Amount
=====								
11105	PETTY CASH	PETTY	PETTY CASH	PTYCSH	ON-SITE (CLUBHOUSE)			150.00
11110	OPERATING CHECKING	USBANK	US BANK	CKING	153495833060			138,455.22
11112	OPERATING INVESTMENT	UNION+	UNION BANK	MNYMKT	1880024236		0.90%	156,339.37
								=====
Total (Cash)								294,944.59
21138	RESERVE INVESTMENT	WELLS	WELLS FARGO	INVSMT	66896148			4,175,730.53
21139	RESERVE INVESTMENT	WELLS	WELLS FARGO	MNYMKT	66896148			2,031,650.32
								=====
Total (Reserves)								6,207,380.85
								=====
Grand Total								6,502,325.44

NEPENTHE ASSOCIATION
RESERVE FUND BALANCES SUPPORT SCHEDULES
02/28/2018

03/15/2018 11:45 AM Page: C 1

c/o FirstService Residential
15241 Laguna Canyon Rd
Irvine CA 92618

FirstService Residential CA
15241 Laguna Canyon Road
Irvine CA 92618

	PRIOR YEAR BALANCE	BEG BAL REALLOCATION	ADDITIONS THIS YEAR	EXPENSE CURRENT MONTH	PREVIOUS EXP CURRENT YEAR	CURRENT BALANCE
GENERAL RESERVES						
23103 INTEREST ON RESERVE FUNDING	51,546.94	(51,546.94)	7,288.62	0.00	0.00	7,288.62
22872 RESERVE STUDY RESERVE	0.00	12,167.58	868.00	0.00	0.00	13,035.58
22960 PAINTING-INTERIOR RESERVES	0.00	3,916.73	376.00	0.00	0.00	4,292.73
23014 CONCRETE REPAIRED RESERVES	0.00	24,931.91	6,954.00	0.00	0.00	31,885.91
23113 LIGHTING RESERVES	0.00	0.00	0.00	(1,290.00)	0.00	(1,290.00)
23120 ROOF RESERVES	0.00	3,928,435.68	132,690.00	0.00	0.00	4,061,125.68
23122 POOL/SPA RESERVES	0.00	83,986.25	7,702.00	(1,485.00)	(3,950.00)	86,253.25
23127 FENCING RESERVES	0.00	156,839.63	15,710.00	0.00	0.00	172,549.63
23130 CONTIGENCY RESERVES	(600.00)	600.00	0.00	0.00	0.00	0.00
23133 IRRIGATION RESERVES	0.00	296,475.91	23,126.00	0.00	0.00	319,601.91
23136 SHINGLE RESERVES	0.00	0.00	0.00	(32,403.97)	0.00	(32,403.97)
23146 SIGNS RESERVES	0.00	13,409.40	750.00	0.00	0.00	14,159.40
23178 PAVING RESERVES	0.00	343,325.45	22,790.00	0.00	0.00	366,115.45
23199 RESERVE STUDY RESERVES	0.00	2,678.87	364.00	0.00	0.00	3,042.87
L23133 OUTDOOR EQUIPMENT RSRV	0.00	3,457.39	602.00	0.00	0.00	4,059.39
L23135 PAINT EXTERIOR RSRV	0.00	188,448.73	36,108.00	0.00	(18,600.00)	205,956.73
L23136 STRUCTURAL REPAIRS RSRV	0.00	728,979.43	77,354.00	0.00	0.00	806,333.43
N22911 UNDERGROUND UTILITY RSRV	(39,575.00)	85,392.20	2,748.00	(8,140.00)	(6,100.00)	34,325.20
N22912 MECHANICAL EQUIPMENT RSRV	0.00	32,788.34	1,190.00	0.00	0.00	33,978.34
N23017 CLUBHOUSE RENOVATION RSRV	87,647.21	8,735.10	6,932.00	(21,214.78)	0.00	82,099.53
N23130 MISCELLANEOUS RSRV	67,653.89	(64,668.92)	518.00	0.00	0.00	3,502.97
N23270 UNIT EXTERIOR RESERVE	5,397,318.49	(5,397,318.49)	0.00	(1,607.21)	(49,001.53)	(50,608.74)
N23271 MAIN CLUBHOUSE AREA RSRV	204,627.37	(204,627.37)	0.00	0.00	0.00	0.00
N23274 TENNIS COURT RSRV	(3,340.00)	53,032.75	2,374.00	0.00	0.00	52,066.75
N23275 GROUNDS RESERVE	664,425.49	(599,026.60)	5,098.00	(44,280.00)	(110,042.75)	(83,825.86)
N23276 ADMINISTRATIVE RESERVE	3,886.08	(3,886.08)	0.00	0.00	0.00	0.00
N23282 TREE REMOVAL ANNUAL MAINT RSRV	(213,746.50)	287,865.48	5,778.00	(9,950.00)	(46,540.00)	23,406.98
N22991 POLE LIGHT REPAIRS RSRV	0.00	65,607.57	1,950.00	(17,128.50)	0.00	50,429.07
TOTAL GENERAL RESERVES	6,219,843.97	0.00	359,270.62	(137,499.46)	(234,234.28)	6,207,380.85

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----- ACTUAL	---MONTH--- BUDGETED	----- VARIANCE	G/L NUMBER	DESCRIPTION	----- ACTUAL	YEAR TO DATE BUDGETED	----- VARIANCE	ANNUAL BUDGET	\$ REMAINING IN BUDGET
REVENUE									
270,600.54	287,921	(17,320.46)	14000	HOMEOWNER ASSESSMENT REVENUE	587,109.81	575,842	11,267.81	3,455,052	2,867,942.19
1,717.99	1,800	(82.01)	14087	EASEMENT AGREEMENT	5,795.60	3,600	2,195.60	21,600	15,804.40
26.19	0	26.19	14101	INTEREST ON PAST DUE ASSESSMENTS	285.77	0	285.77	0	(285.77)
20.00	50	(30.00)	14110	KEY REVENUE	30.00	100	(70.00)	600	570.00
425.00	700	(275.00)	14113	CLUBHOUSE RENTAL	2,475.00	1,400	1,075.00	8,400	5,925.00
0.00	0	0.00	14116	CC&R VIOLATIONS/FINES	760.00	0	760.00	0	(760.00)
42,187.30	1,770	40,417.30	14132	MISCELLANEOUS REVENUE	42,187.30	3,540	38,647.30	21,240	(20,947.30)
107.86	0	107.86	14162	OPERATING INTEREST REVENUE	234.88	0	234.88	0	(234.88)
2,522.63	0	2,522.63	14163	RESERVE INTEREST REVENUE	7,288.62	0	7,288.62	0	(7,288.62)
317,607.51	292,241	25,366.51		TOTAL REVENUE	646,166.98	584,482	61,684.98	3,506,892	2,860,725.02
RESERVE CONTRIBUTION									
175,991.00	175,991	0.00	19758	GENERAL RESERVES	351,982.00	351,982	0.00	2,111,892	1,759,910.00
2,522.63	0	(2,522.63)	19803	GENERAL RESERVE INTEREST	7,288.62	0	(7,288.62)	0	(7,288.62)
178,513.63	175,991	(2,522.63)		TOTAL RESERVE CONTRIBUTION	359,270.62	351,982	(7,288.62)	2,111,892	1,752,621.38
139,093.88	116,250	22,843.88		AVAILABLE OPERATING REVENUE	286,896.36	232,500	54,396.36	1,395,000	1,108,103.64
OPERATING EXPENSES									
UTILITIES									
2,918.79	2,575	(343.79)	15101	ELECTRICITY	5,941.09	5,150	(791.09)	30,900	24,958.91
1,425.69	1,700	274.31	15102	GAS	2,358.58	3,400	1,041.42	20,400	18,041.42
0.00	200	200.00	15103	REFUSE COLLECTION	0.00	400	400.00	2,400	2,400.00
(266.17)	350	616.17	15105	TELEPHONE EXPENSE	(215.99)	700	915.99	4,200	4,415.99
3,516.68	3,700	183.32	15106	WATER	8,824.68	7,400	(1,424.68)	44,400	35,575.32
7,594.99	8,525	930.01		TOTAL UTILITIES	16,908.36	17,050	141.64	102,300	85,391.64
LAND MAINTENANCE									
60,000.00	30,500	(29,500.00)	15500	CONTRACT LANDSCAPE SERVICE	60,000.00	61,000	1,000.00	366,000	306,000.00
60,000.00	30,500	(29,500.00)		TOTAL LAND MAINTENANCE	60,000.00	61,000	1,000.00	366,000	306,000.00
COMMON AREA									
1,700.00	1,800	100.00	16020	CONTRACT POOL/SPA SERVICE	3,400.00	3,600	200.00	21,600	18,200.00
0.00	0	0.00	16022	POOL EQUIPMENT REPAIR	(3,950.00)	0	3,950.00	0	3,950.00
0.00	125	125.00	16027	POOL INSPECTION	87.27	250	162.73	1,500	1,412.73
0.00	280	280.00	18524	MATERIAL SUPPLIES	348.68	560	211.32	3,360	3,011.32
0.00	190	190.00	18526	PEST CONTROL	0.00	380	380.00	2,280	2,280.00
1,580.00	1,580	0.00	18531	JANITORIAL SERVICE	3,105.00	3,160	55.00	18,960	15,855.00

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390.84	185	(205.84)	18532	JANITORIAL SUPPLIES	897.24	370	(527.24)	2,220	1,322.76
30.00	20	(10.00)	18534	FIRE EXTINGUISHER	30.00	40	10.00	240	210.00
0.00	1,450	1,450.00	18579	PATROL SERVICE	4,350.00	2,900	(1,450.00)	17,400	13,050.00
26,001.80	5,200	(20,801.80)	18736	GUTTER & DOWNSPOUT CLEANING	64,514.00	10,400	(54,114.00)	62,400	(2,114.00)
972.32	325	(647.32)	18767	REPAIR & MAINTENANCE	2,461.21	650	(1,811.21)	3,900	1,438.79
101.78	150	48.22	18905	KITCHEN SUPPLIES	198.46	300	101.54	1,800	1,601.54
95.00	0	(95.00)	18957	JANITORIAL EXTRA	540.00	0	(540.00)	0	(540.00)
0.00	40	40.00	18986	FITNESS CONTRACT	0.00	80	80.00	480	480.00
30,871.74	11,345	(19,526.74)		TOTAL COMMON AREA	75,981.86	22,690	(53,291.86)	136,140	60,158.14
MANAGEMENT/ON-SITE ADMIN EXP									
150.00	150	0.00	18001	COMMUNITY WEBSITE	450.00	300	(150.00)	1,800	1,350.00
0.00	75	75.00	18003	COMMUNITY EVENTS/PROGRAMS	293.61	150	(143.61)	900	606.39
0.00	75	75.00	18092	EDUCATION/ADULT PROGRAM	300.00	150	(150.00)	900	600.00
7,159.31	7,200	40.69	19109	CONTRACT MANAGEMENT	14,318.62	14,400	81.38	86,400	72,081.38
0.00	160	160.00	19101	CPA SERVICES	0.00	320	320.00	1,920	1,920.00
0.00	700	700.00	19104	FEDERAL TAX EXPENSE	0.00	1,400	1,400.00	8,400	8,400.00
35.00	400	365.00	19105	FRANCHISE TAX BOARD	35.00	800	765.00	4,800	4,765.00
0.00	200	200.00	19106	TAXES & LICENSES	0.00	400	400.00	2,400	2,400.00
5,765.09	525	(5,240.09)	19108	GENERAL COUNSEL SERVICE	5,765.09	1,050	(4,715.09)	6,300	534.91
1,451.01	1,800	348.99	19111	MANAGEMENT REIMBURSABLE	6,294.27	3,600	(2,694.27)	21,600	15,305.73
0.00	50	50.00	19112	POSTAGE, ON-SITE	101.00	100	(1.00)	600	499.00
0.00	50	50.00	19117	DUES & PUBLICATIONS	0.00	100	100.00	600	600.00
35.00	35	0.00	19119	BANK FEES	70.00	70	0.00	420	350.00
13,505.87	15,250	1,744.13	19124	ON-SITE STAFF	33,144.27	30,500	(2,644.27)	183,000	149,855.73
145.54	25	(120.54)	19126	DELINQUENCY MONITORING	132.52	50	(82.52)	300	167.48
0.00	200	200.00	19132	OPERATING CONTINGENCY	0.00	400	400.00	2,400	2,400.00
0.00	75	75.00	19143	LEGAL-COLLECTIONS	0.00	150	150.00	900	900.00
351.70	100	(251.70)	19172	ACCOUNTING REIMBURSABLES	377.05	200	(177.05)	1,200	822.95
290.00	0	(290.00)	19174	AMS COLLECTION EXPENSE	(779.62)	0	779.62	0	779.62
0.00	75	75.00	19178	PROPERTY TAX	0.00	150	150.00	900	900.00
5,639.68	5,833	193.32	19247	PAYROLL TAXES & BENEFITS	13,552.27	11,666	(1,886.27)	69,996	56,443.73
0.00	50	50.00	19281	WEBSITE	0.00	100	100.00	600	600.00
14.14	175	160.86	19295	ON-SITE OFFICE SUPPLIES	136.22	350	213.78	2,100	1,963.78
339.65	400	60.35	19382	COPIER LEASE	1,311.48	800	(511.48)	4,800	3,488.52
0.00	50	50.00	19442	CLAC CONTRIBUTION	0.00	100	100.00	600	600.00
34,881.99	33,653	(1,228.99)		TOTAL MANAGEMENT/ON-SITE ADMIN E	75,501.78	67,306	(8,195.78)	403,836	328,334.22
INSURANCE									
7,805.83	7,810	4.17	19107	INSURANCE	23,417.49	15,620	(7,797.49)	93,720	70,302.51
23,261.67	24,417	1,155.33	DC19307	FLOOD INSURANCE	49,448.34	48,834	(614.34)	293,004	243,555.66

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31,067.50	32,227	1,159.50		TOTAL INSURANCE	72,865.83	64,454	(8,411.83)	386,724	313,858.17
164,416.22	116,250	(48,166.22)		TOTAL OPERATING EXPENSES	301,257.83	232,500	(68,757.83)	1,395,000	1,093,742.17
(25,322.34)	0	(25,322.34)		NET INCOME/(LOSS)	(14,361.47)	0	(14,361.47)	0	14,361.47

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	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	TOTAL
REVENUE													
14000 HOMEOWNER ASSESSMENT REVENUE	306681	259767	292586	279285	275972	272070	274994	261437	277293	278556	316509	270601	3365752
14087 EASEMENT AGREEMENT	1816	379	1856	758	1729	1739	1063	1738	1701	-1033	4078	1718	17542
14101 INTEREST ON PAST DUE ASSESMEN	611	84	382	107	83	90	539	53	73	1408	260	26	3714
14110 KEY REVENUE	85	60	-20	110	150	135	30	35	60	0	10	20	675
14113 CLUBHOUSE RENTAL	270	750	450	470	160	715	600	175	925	450	2050	425	7440
14116 CC&R VIOLATIONS/FINES	0	15	25	489	372	0	0	0	0	0	760	0	1660
14132 MISCELLANEOUS REVENUE	0	0	105	45	0	0	0	0	70	0	0	42187	42407
14162 OPERATING INTEREST REVENUE	59	54	63	57	59	107	111	123	115	112	127	108	1096
14163 RESERVE INTEREST REVENUE	3039	6348	1913	9623	1611	2648	7139	5336	2657	7412	4766	2523	55014
TOTAL REVENUE	312561	267457	297361	290944	280137	277505	284476	268897	282894	286903	328559	317608	3495301
RESERVE CONTRIBUTION													
19758 GENERAL RESERVES	170042	170042	170042	170042	170042	170042	170042	170042	170042	170042	175991	175991	2052402
19803 GENERAL RESERVE INTEREST	3039	6348	1913	9623	1611	2648	7139	5336	2657	7412	4766	2523	55014
TOTAL RESERVE CONTRIBUTION	173081	176390	171955	179665	171653	172690	177181	175378	172699	177454	180757	178514	2107416
AVAILABLE OPERATING REVENUE	139480	91066	125406	111279	108484	104814	107295	93519	110195	109450	147802	139094	1387885
OPERATING EXPENSES													
UTILITIES													
15101 ELECTRICITY	6117	0	2572	2593	0	5662	0	5423	0	5262	3022	2919	33571
15102 GAS	1724	3377	2013	1310	2575	693	833	1003	3145	1229	933	1426	20258
15103 REFUSE COLLECTION	0	631	240	0	0	3355	0	0	0	1548	0	0	5774
15105 TELEPHONE EXPENSE	261	63	299	357	294	294	294	286	238	525	50	-266	2695
15106 WATER	3633	2791	5457	4175	3320	4153	2349	4965	4245	3032	5308	3517	46946
TOTAL UTILITIES	11735	6862	10582	8435	6189	14157	3476	11677	7627	11596	9313	7595	109245
LAND MAINTENANCE													
15500 CONTRACT LANDSCAPE SERVICE	57134	0	57134	28567	28567	28567	28567	28567	28567	28567	0	60000	374237
15511 BACKFLOW DEVICE TEST	0	0	0	2695	0	0	0	0	0	0	0	0	2695
TOTAL LAND MAINTENANCE	57134	0	57134	31262	28567	28567	28567	28567	28567	28567	0	60000	376932
COMMON AREA													
16020 CONTRACT POOL/SPA SERVICE	1350	1350	1350	1570	1700	1700	1700	1700	1700	1700	1700	1700	19220
16022 POOL EQUIPMENT REPAIR	0	0	0	300	0	0	342	1420	0	3950	-3950	0	2062
16027 POOL INSPECTION	490	0	1243	75	0	0	0	0	0	873	87	0	2768
18524 MATERIAL SUPPLIES	194	411	299	493	0	0	157	0	0	0	349	0	1453

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18526 PEST CONTROL	0	350	0	285	1495	0	175	0	0	0	0	0	2305
18531 JANITORIAL SERVICE	1525	1525	1525	1525	0	1525	3050	1525	1525	1525	1525	1580	18355
18532 JANITORIAL SUPPLIES	0	382	14	306	0	163	763	0	536	0	506	391	3062
18534 FIRE EXTINGUISHER	0	0	0	0	0	107	0	0	0	0	0	30	137
18564 SPECIAL SECURITY	0	0	1804	1450	0	0	0	0	0	0	0	0	3254
18579 PATROL SERVICE	2000	0	0	0	2900	0	2900	0	1450	1450	4350	0	15050
18736 GUTTER & DOWNSPOUT CLEANING	12153	178	1019	0	0	0	0	0	0	0	38512	26002	77864
18767 REPAIR & MAINTENANCE	0	0	627	348	485	673	326	344	801	342	1489	972	6406
18905 KITCHEN SUPPLIES	372	150	235	0	232	0	8	75	152	115	97	102	1537
18957 JANITORIAL EXTRA	120	0	55	50	0	175	0	0	0	270	445	95	1210
18986 FITNESS CONTRACT	85	141	0	105	0	0	85	0	0	85	0	0	500
TOTAL COMMON AREA	18289	4487	8173	6056	6811	4343	9507	5064	6164	10310	45110	30872	155185
MANAGEMENT/ON-SITE ADMIN EXP													
18001 COMMUNITY WEBSITE	0	983	450	833	1033	0	43	0	0	0	300	150	3792
18003 COMMUNITY EVENTS/PROGRAMS	155	332	452	295	-516	-20	-2	0	0	32	294	0	1022
18008 VOLUNTEER RECOGNITION	0	0	70	0	5	0	0	21	141	0	0	0	236
18092 EDUCATION/ADULT PROGRAM	0	76	205	86	32	124	0	459	0	0	300	0	1282
19109 CONTRACT MANAGEMENT	7159	7159	7159	7159	7159	7159	7159	7159	7159	7159	7159	7159	85912
19101 CPA SERVICES	1895	0	0	0	0	0	0	0	0	0	0	0	1895
19104 FEDERAL TAX EXPENSE	0	9161	0	2579	0	0	2579	0	0	2579	0	0	16898
19105 FRANCHISE TAX BOARD	0	4648	0	2412	0	0	0	0	0	1783	0	35	8878
19106 TAXES & LICENSES	0	0	0	1059	0	0	0	0	0	0	0	0	1059
19121 RESERVE STUDY CONSULTANT SRVC	0	0	0	0	0	600	0	0	0	0	0	0	600
19108 GENERAL COUNSEL SERVICE	0	1006	9654	0	0	2900	0	840	0	6695	0	5765	26861
19111 MANAGEMENT REIMBURSABLE	1082	1137	6864	250	1100	1956	250	1070	1062	1094	4843	1451	22159
19112 POSTAGE, ON-SITE	0	0	0	111	16	48	70	0	96	0	101	0	441
19116 ADMINISTRATIVE MISC	0	0	0	0	0	0	0	10	0	0	0	0	10
19119 BANK FEES	35	35	35	35	35	35	35	35	35	35	35	35	420
19124 ON-SITE STAFF	13084	12865	12242	26764	14011	13745	13858	14351	13343	13317	19638	13506	180726
19126 DELINQUENCY MONITORING	-1032	206	414	-226	179	494	-377	52	-503	44	-13	146	-616
19132 OPERATING CONTINGENCY	0	0	0	3250	290	0	0	0	0	0	0	0	3540
19143 LEGAL-COLLECTIONS	0	0	1034	1957	0	0	0	0	0	-1957	0	0	1034
19172 ACCOUNTING REIMBURSABLES	372	37	181	0	75	215	0	83	41	40	25	352	1421
19174 AMS COLLECTION EXPENSE	-325	626	-1796	-245	1456	-91	-960	194	-80	-374	-1070	290	-2375
19178 PROPERTY TAX	0	0	0	0	266	0	0	960	0	0	0	0	1226
19247 PAYROLL TAXES & BENEFITS	5646	5277	4990	9369	4848	4890	4909	4890	5016	5181	7913	5640	68568
19281 WEBSITE	0	0	150	150	150	257	150	150	150	0	0	0	1157
19295 ON-SITE OFFICE SUPPLIES	551	54	546	101	13	374	100	0	71	0	122	14	1946
19382 COPIER LEASE	387	902	340	351	719	340	340	895	340	0	972	340	5924
19505 CC&R REVISION	0	0	96	0	0	0	0	0	0	0	0	0	96
TOTAL MANAGEMENT/ON-SITE ADM	29009	44504	43087	56289	30871	33027	28153	31169	26870	35629	40620	34882	434112

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INSURANCE													
19107 INSURANCE	7797	7797	8313	7797	-326	15593	15603	0	7806	7806	15612	7806	101602
DC1930 FLOOD INSURANCE	0	0	0	-644	0	0	0	0	0	297770	26187	23262	346574
TOTAL INSURANCE	7797	7797	8313	7153	-326	15593	15603	0	7806	305576	41798	31068	448177
TOTAL OPERATING EXPENSES	123964	63650	127289	109196	72113	95687	85305	76477	77035	391677	136842	164416	1523650
NET INCOME/(LOSS)	15516	27417	-1883	2084	36371	9127	21989	17042	33161	-282228	10961	-25322	-135765

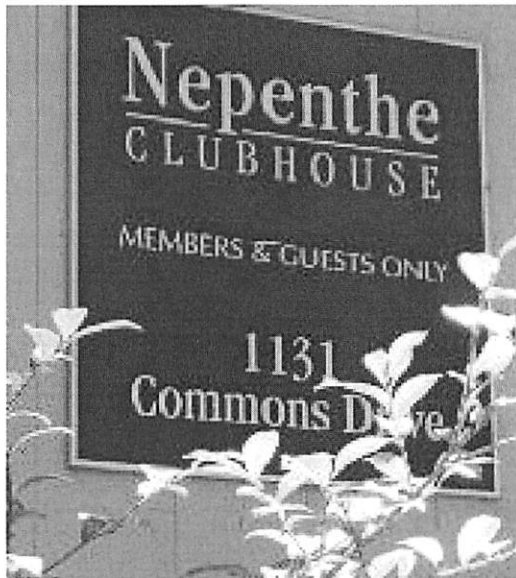
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NEPENTHE ASSOCIATION

(a California nonprofit mutual benefit corporation)

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

Year Ended December 31, 2017



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Members
Nepenthe Association

DRAFT

I have reviewed the accompanying financial statements of Nepenthe Association, which comprise the balance sheet as of December 31, 2017, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion on the Financial Statements

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the Schedule of Operating Fund Revenues and Expenses - Budget and Actual on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information (except for the budget information, which I have not audited or reviewed and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on it) and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on it.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have not audited, reviewed, or compiled the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on it.

Paula E. Hegner

March 26, 2018

NEPENTHE ASSOCIATION
BALANCE SHEET
December 31, 2017

DRAFT

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash, including interest bearing deposits	\$ 256,933	\$ 2,048,804	\$ 2,305,737
Investments	-	4,171,040	4,171,040
Assessments receivable, less allowance for uncollectible assessments of \$8,743	14,008	-	14,008
Other receivables	102	-	102
Due (to) from other fund	(25,000)	25,000	-
Prepaid taxes	2,022	-	2,022
Prepaid insurance	<u>272,956</u>	<u>-</u>	<u>272,956</u>
TOTAL ASSETS	<u>\$ 521,021</u>	<u>\$ 6,244,844</u>	<u>\$ 6,765,865</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 74,181	\$ -	\$ 74,181
Assessments received in advance	<u>80,039</u>	<u>-</u>	<u>80,039</u>
TOTAL LIABILITIES	154,220	-	154,220
FUND BALANCES	<u>366,801</u>	<u>6,244,844</u>	<u>6,611,645</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 521,021</u>	<u>\$ 6,244,844</u>	<u>\$ 6,765,865</u>

See accompanying notes and independent accountant's review report.

NEPENTHE ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2017

	DRAFT	Operating	Replacement	
		Fund	Fund	Total
REVENUES				
Member assessments	\$	1,280,016	\$	2,040,504
Investment income		973		51,547
Late charges		6,485	-	6,485
Violation fines		1,560	-	1,560
Clubhouse rental		5,715	-	5,715
Phone commissions, net		13,537	-	13,537
Landscape rebate		-	25,000	25,000
Other income		3,992	-	3,992
TOTAL REVENUES		1,312,278	2,117,051	3,429,329
EXPENSES				
Utilities		111,555	-	111,555
Landscape maintenance		345,499	-	345,499
Swimming pool/spa		27,213	-	27,213
Community services/events		6,255	-	6,255
Common area		141,775	-	141,775
Government & regulation expense		232,245	-	232,245
Insurance		391,891	-	391,891
Management on-site administration		175,620	-	175,620
Major repairs and replacements (Note D)		-	1,424,695	1,424,695
TOTAL EXPENSES		1,432,053	1,424,695	2,856,748
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENSES		(119,775)	692,356	572,581
BEGINNING FUND BALANCES		486,576	5,552,488	6,039,064
ENDING FUND BALANCES	\$	366,801	\$	6,244,844
			\$	6,611,645

See accompanying notes and independent accountant's review report.

NEPENTHE ASSOCIATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

DRAFT

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses	\$ (119,775)	\$ 692,356	\$ 572,581
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities			
(Increase) decrease in:			
Assessments receivable	(3,389)	-	(3,389)
Other receivables	(50)	-	(50)
Due (to) from other fund	25,000	(25,000)	
Prepaid taxes	(2,022)	-	(2,022)
Prepaid insurance	986	-	986
Increase (decrease) in:			
Accounts payable	60,417	-	60,417
Assessments received in advance	1,440	-	1,440
Income taxes payable	(9,447)	-	(9,447)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(46,840)	667,356	620,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase Certificates of Deposit	-	(490,000)	(490,000)
Reinvestment of earnings on mutual funds	-	(2,225)	(2,225)
Redeem Certificates of Deposit	-	1,225,000	1,225,000
NET INCREASE (DECREASE) IN CASH	(46,840)	1,400,131	1,353,291
CASH AT BEGINNING OF YEAR	303,773	648,673	952,446
CASH AT END OF YEAR	\$ 256,933	\$ 2,048,804	\$ 2,305,737
SUPPLEMENTAL DISCLOSURE			
Income taxes paid	\$ 25,706		

See accompanying notes and independent accountant's review report..

NOTE A - NATURE OF ORGANIZATION

Nepenthe Association (the Association) was formed on May 30, 1972 in the State of California. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 590 residential units and is located in Sacramento, California.

The Association derives its authority and responsibilities from its Declaration of Covenants, Conditions and Restrictions. An elected Board of Directors makes most policy decisions and oversees daily operations, but major decisions are referred to the general Association membership.

NOTE B - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 26, 2018, the date that the financial statements were available to be issued.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund

This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund

This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to enforce collection of assessments by retaining legal counsel and by placing liens on the properties of delinquent members. It is the opinion of the Association's Board that, in the absence of foreclosure or personal bankruptcy proceedings of the delinquent members, the Association will ultimately prevail in most instances. However, the Association has adopted the allowance for uncollectible assessments method of providing for assessments which may not be collected.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Income Taxes

Homeowners associations may be taxed either as homeowners associations or as regular corporations. For the year ended December 31, 2017, the Association was taxed as a regular corporation and filed Form 1120. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate rates.

The Associations' tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and for a period of four years by California taxing authorities.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property have not been capitalized on the Association's financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The accrual basis of accounting recognizes revenues when earned and expenses when incurred regardless of when cash is received or disbursed.

Cash and Cash Equivalents

The Association considers all short term investments with an original maturity of three months or less to be cash equivalents. The Association maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000 per depositor.

Investments

Investments consist of Certificates of Deposit, Market Linked Certificates of Deposit, and Open End Mutual Funds. The investments are reported at cost. The variances between cost and fair market value are immaterial.

DRAFT

NOTE D - REPLACEMENT FUND EXPENDITURES -Major Repairs and Replacements

The Association's replacement fund is utilized to accumulate funds for future major repairs and replacements by an allocation of the monthly assessments charged to each owner. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board, to meet the objective for which the fund was established.

The following is a table of the 2017 expenditures in the replacement fund, by component:

Component	2017 Expenditures
Tree removal/annual maintenance	\$ 213,747
Underground utility repair	39,575
Clubhouse interior renovation	31,322
Main clubhouse area	7,915
Grounds	440,315
Unit exterior	687,881
Common tennis courts	3,340
Miscellaneous	600
Total 2017 Expenditures	<u>\$ 1,424,695</u>

NOTE E - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. An independent study was conducted by the Browning Reserve Group for the 2018 fiscal year, to estimate the remaining useful lives and the replacement costs of the common property components. The estimates were obtained from licensed contractors who inspected the property. At the time the study was conducted, the assumed long-term interest rate earned on reserve funds was 2.5% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.5% per year.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

NEPENTHE ASSOCIATION
SUPPLEMENTARY INFORMATION
 SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	DRAFT	2017	2017	Variance-
		Budget	Actual	Favorable
		(compiled)		(Unfavorable)
				(compiled)
REVENUES				
Member assessments - Operating	\$	1,280,016	\$ 1,280,016	-
Interest income		-	973	973
Late charges		-	6,485	6,485
Violation fines		-	1,560	1,560
Clubhouse rental		8,400	5,715	(2,685)
Phone commissions, net		17,160	13,537	(3,623)
Other income		900	3,992	3,092
TOTAL REVENUES		1,306,476	1,312,278	5,802
EXPENSES				
Utilities		97,260	111,555	(14,295)
Landscape maintenance		345,324	345,499	(175)
Swimming pool/spa		17,880	27,213	(9,333)
Community services/events		4,500	6,255	(1,755)
Common area		114,372	141,775	(27,403)
Government & regulation expense		216,156	232,245	(16,089)
Insurance		342,984	391,891	(48,907)
Management on-site administration		168,000	175,620	(7,620)
TOTAL EXPENSES		1,306,476	1,432,053	(125,577)
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENSES FROM OPERATIONS	\$	-	\$ (119,775)	\$ (119,775)

See independent accountant's review report.

NEPENTHE ASSOCIATION
SUPPLEMENTARY INFORMATION
 FUTURE MAJOR REPAIRS AND REPLACEMENTS
 December 31, 2017

DRAFT

The Board of Directors of Nepenthe Association contracted with the Browning Reserve Group to prepare a Replacement Reserve Study for the 2018 fiscal year, to estimate the remaining useful lives and the replacement cost of the components of common property. The estimates were based on visual inspection of the components and estimated replacement costs were based on their own construction cost estimator and on the opinion of independent contractors where they felt it necessary for outside consultation.

The following table is based on the study and presents significant information about the components of common property.

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2017 Fully Funded Balance	2018 Fully Funded Balance	2018 Line Item Contribution based on Cash Flow Method
Paving	1,667,420	1-15	0-10	715,939	867,006	136,743
Concrete	76,756	1-5	0-8	62,128	62,961	41,726
Painting: Exterior	1,427,516	1-12	0-6	577,906	475,893	216,645
Painting: Interior	18,802	4-10	1-7	7,238	9,891	2,250
Structural repairs	6,519,101	1-30	0-24	1,789,501	1,840,905	464,130
Roofing	18,933,935	1-30	0-23	9,036,914	9,920,550	796,137
Rehab	506,518	10-30	1-27	154,510	187,570	32,568
Pool	549,642	1-30	0-27	165,825	192,814	42,848
Spa	27,636	5-24	0-21	17,818	19,278	3,372
Recreation	52,166	5-25	2-13	24,425	30,726	5,214
Tennis court	222,056	7-21	0-12	119,673	125,490	14,247
Landscaping	1,961,470	1-25	0-11	1,356,797	1,101,023	203,968
Fencing	678,656	1-25	0-22	307,972	396,070	94,268
Lighting	178,242	1-20	0-16	152,691	165,680	11,699
Signage	72,388	5-25	1-17	28,900	33,863	4,497
Office equipment	6,788	3-3	1-1	4,526	6,958	1,917
Mechanical equipment	124,641	10-30	3-20	73,623	82,801	7,142
Furnishings	8,799	10-15	5-12	3,273	4,128	750
Audio/visual	21,012	15-15	1-1	19,612	21,538	1,187
Safety/access	7,880	10-10	7-7	2,364	3,231	774
Flooring	34,489	10-20	1-17	10,439	13,961	3,177
Outdoor equipment	11,672	1-10	0-9	6,962	8,731	3,619
Appliances	14,766	10-20	4-17	4,644	6,010	1,242
Miscellaneous	126,426	1-50	0-1	107,852	115,703	16,495
Reserve study	6,600	1-3	0-1	4,600	6,765	2,190
Undesignated	17,865	1-1	0-1	14,188	7,538	3,115
Total	\$ 33,273,242			\$ 14,770,320	\$ 15,707,084	\$ 2,111,920
Estimated Ending Balance				\$ 6,405,741	\$ 7,353,230	\$ 298.29
Percent Funded				43.4%	46.8%	/Lot/month @ 590

See independent accountant's review report.

NEPENTHE

March 19, 2018

WHEREAS, Section 5673 of the California Civil Code requires that, the decision to record a lien for delinquent assessments shall be made only by the Board of Directors of the association and may not be delegated to an agent of the association; and

WHEREAS, Section 5660 of the California Civil Code requires that a warning letter be sent by certified mail to the owner of record at least 45 days prior to recording a lien; and

WHEREAS, the Association has sent this letter and the 45 days has or will soon expire; and

WHEREAS, as of the date of this report payment has not been received to pay the delinquent assessment amount on the property listed below

NOW THEREFORE BE IT RESOLVED that the Board of Directors approves by a majority vote of the board members present at a duly called open meeting for FirstService Residential to record a lien on the separate interests/accounts listed below on behalf of the association and to mail a copy of the recorded lien to all known owners and addresses once the 45 days has elapsed from the mailing of the warning letter and no payment has been received.

<i>Date</i>	<i>Account No.</i>	<i>Total Amt Due</i>	<i>Past Due Assessment Only</i>	<i>Approved</i>	<i>Denied</i>	<i>Comment</i>
3/16/18	2017-01	\$2,391.00	\$976.00			
3/16/18	2041-03	\$1,000.88	\$976.00			
3/16/18	2356-01	\$976.00	\$976.00			
3/16/18	2431-01	\$980.88	\$976.00			

Deferred Items from prior meeting

<i>Date</i>	<i>Account No.</i>	<i>Total Amt Due</i>	<i>Past Due Assessment Only</i>	<i>Approved</i>	<i>Denied</i>	<i>Comment</i>

Any two (2) Board members must sign:

By: _____ Date: _____

By: _____ Date: _____



Ryan DeShong
Agent
3400 Bradshaw Road, Suite C
Sacramento, CA 95827
Bus: 916-636-0115
Fax: 888-415-5803
License 0E44888
rdeshong@farmersagent.com

2/27/2018

Re: Nepenthe Association Property Inspection

This year, during the month of February, I conducted the annual, full property inspection of the Nepenthe Association. This inspection includes all structures, public and private streets, walkways, driveways, tennis courts, pools, spas, common areas, and greenbelts. Similar to my inspections in past years, I conducted some of this year's inspection at night to observe any lighting safety issues.

As expected again this year the overall appearance and maintenance conditions of the property and structures are excellent! The grounds are well kept and maintained, the driveways and walkways are all clear of debris and large hazards, and the overall appearance of the individual homes and clubhouses are excellent. No major or minor defects were observed in the accessible structural components of the buildings and no improvements to the structural components are considered necessary at this time. I observed ongoing siding repairs and major tree pruning to some of the larger trees on the property which is great to see!

The only items I had issue with this year were sidewalk / pathway trip hazards. I have included 4 items in this report that I feel should be looked at and addressed or discussed. This report should be reviewed along with the Concrete/Asphalt Report because there will more than likely be duplicate hazards/repairs on both reports. Please see my observations below for consideration regarding possible repairs, maintenance, and/or replacement of specific items.

Please let me know if there are any questions regarding this inspection report. Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "R. DeShong", written in a cursive style.

Ryan DeShong-

Item 1. The walkway in front of 901 Dunbarton Circle is lifting up.



Item 2. The walkway in front of 1299 Vanderbilt Way is lifting up.



Item 3. The sidewalk in front of 1366 Commons is lifting up next to the metal cover.



Item 4. The sidewalk on Swarthmore Drive by the Clubhouse is lifting up.







DIRECT: 715.359.3121 | MAIN: 800.388.8728
MAILING: PO BOX 1520 | WAUSAU, WI 54402-1520
SHIPPING: 9001 BUSINESS HWY 51 | ROTHSCHILD, WI 54474

WAUSAU  **MADE™**

QUOTATION

Nepenthe Association
1131 Commons Dr.
Sacramento, CA 95825

Date: 3-16-18

Phone: 916-929-8380

Contact: Bettsi Ledesma

Email: bettsi.ledesma@fsresidential.com

PROJECT: Nepenthe Association - Revised

IN COMPLIANCE WITH YOUR REQUEST FOR A PRICE QUOTATION ON SITE FURNISHINGS SUPPLIED BY WAUSAU TILE, WE SUBMIT THE FOLLOWING:

QTY	PRODUCT	DESCRIPTION	UNIT PRICE	EXTENSION
4	MF2204 S29 Green	74" x 28" x 39" Steel Bench w/Ctr. Arm 275 lbs.	\$1,105.00	\$4,420.00
4	7209	Anchor kit for Flat Steel Bench	\$29.00	\$116.00



Total weight: 1,100 lbs.

QUOTATION IN EFFECT FOR 30 DAYS FROM ISSUE DATE UNLESS OTHERWISE NOTED. **SUBTOTAL : \$ 4,536.00**

WE QUOTE YOU AS ABOVE F.O.B.: Sacramento, CA 95825

FEDEX ECO **SHIPPING : \$ 690.00**

SHIPMENT CAN BE MADE IN: TBD

7.75% **SALES TAX : \$ 351.54**

TOTAL : \$ 5,577.54

TERMS & CONDITIONS:

1. Wausau Tile's standard purchase and warranty terms apply as stated under Terms of Sale on our website.
2. This is a materials only bid valid for 30 days from date of bid. Prices are based on square footage or units as listed above, and subject to change if there are any increases or decreases of quantities to the project.
3. 30% down payment is required on all custom or modified products prior to start of production.
4. Field measurements, specifications and quantity confirmation are responsibilities of the customer.
5. Freight rates are based on today's rates and are valid for 30 days from bid. Delivery is for one location only unless noted in bid.
6. Customer will be notified when product is ready for delivery. Storage charges apply if customer delays shipment more than 30 days after notice.
7. All cancelled /returned orders must receive prior approval from a sales representative.
8. Both installation and assembly are the responsibility of the customer or its consignee.
9. Materials must be unloaded within 2 hours of arrival or customer will be charged for hold-over at the rate of \$100/hour.
10. Sales or use tax is customer's responsibility and due as part of the payment to Wausau Tile before shipping occurs unless a properly executed tax exempt certificate is provided to Wausau Tile. Deliver the tax exempt certificate by fax to 715-355-4627 or provide an original by mail if required by state law.
11. Federal Contracting Compliance and CA Transparency in Supply Chains Act is available on Wausau Tile's Website.

PURCHASING CONDITITONS:

1. The purchase order and payment should be made out to Wausau Tile.
2. To expedite shipment, please include an address for billing and an address for delivery.

Approved by:

SITE FURNISHINGS DIV OF WAUSAU TILE

PO BOX 1520 | WAUSAU, WI 54402-1520

715.359.3121 | 800.388.8728

SITE FURNISHINGS FAX: 715.355.4627 | 112 of 135 TERRAZZO FAX: 715.359.7456



DIRECT: 715.359.3121 | MAIN: 800.388.8728
MAILING: PO BOX 1520 | WAUSAU, WI 54402-1520
SHIPPING: 9001 BUSINESS HWY 51 | ROTHSCILD, WI 54474

WAUSAU  **MADE™**

Pete Janda

PLEASE APPROVE AND RETURN

DATE

Pete Janda | 707-507-9610 | email: pjanda@wausaudeesign.com

PO BOX 1520 | WAUSAU, WI 54402-1520

715.359.3121 | 800.388.8728

SITE FURNISHINGS FAX: 715.355.4722 | TERRAZZO FAX: 715.359.7456



Nepenthe Association

Approved Standards and Practices for Locating, Design, Financing and Approving Benches **Approved by the Board of Directors on May 6, 2015**

Background

Traditionally, Nepenthe has never had benches on its extensive 55 acres of landscaping. This Standards and Practices changes that to allow for the addition of 19 (nineteen) benches throughout the community.

Benefits

We believe having benches on our grounds is very desirable. Their presence will encourage residents and guests who have difficulty walking to see the grounds by breaking up their strolls with places to rest. Benches will provide places where members and guests could socialize. Safety is improved when members and guests have places to observe actual or potentially undesirable activity

Locations

Benches will be located in especially scenic spots not especially near entrances to residences. They will be located in several places on the grounds to provide resting places fairly close to one another. Locations where outsiders can be observed are desirable.

Benches shall be purchased and installed over a five-year period in different areas of Nepenthe, rather than zone-by-zone.

Nineteen sites have been chosen for these standards and practices. These sites are shown at the end of this document.

Approved Bench

The approved bench is Wausau Tile Model MF2204, in the dark green color, for the following reasons:

- Aesthetically it complements our 1970's architecture.
- It is powder coated over steel, therefore very durable. A single design provides for a uniform appearance. A dark green color blends in well with the surrounding landscape.
- The middle armrest discourages anyone to lie prone on it.

Memorial Plaques

Any Nepenthe member who wishes to pay for a bench shall be permitted to place a memorial plaque on the concrete pad. The wording of the plaque must be approved by the Board of Directors. It will be metal and be no larger than 8 inches by 4 inches.

Benches paid for from reserves may not have memorial plaques.

Current Costs at time of adoption

Bench, Wausau Tile Model MF2204	\$1,006
Wausau Tile anchor kit	<u>21</u>



Nepenthe Association

	1,027
Sales tax @ 8.5%	87
Freight	258
Concrete pad if coordinated with other concrete work	380
Installation paid for by the Association	200
Total cost	\$1,952

Financing

Except for member gifts, benches will be paid for from reserves over a five-year period beginning in 2016. Annual reserve amounts are calculated as follow:

19 benches @ \$1,952 = \$37,088, in 2015 dollars.

Install a fifth of the benches each year over five years = \$7,418, in 2015 dollars. \$7,418 divided by 590 units and 12 months = \$1.05 per month

Nepenthe members will be able to pay for benches and place memorial plaques on the concrete pad. The plaque will be paid for by the member, and the wording of the memorial will be subject to Board approval. To the extent members pay for benches the reserve amounts will decrease.

Process

A member of Nepenthe Association may apply to contribute a bench at his/her cost by informing the Board of Directors of the location they select from the authorized locations shown on at the end of this document plus the wording of a plaque (if any).

When the Board approves the purchase of a bench, regardless of who pays for it, a sign will be erected at the proposed site showing a photo of the approved bench design and the following text:

Nepenthe Association intends to install a bench at this site. The design is shown in the photo above. The Board of Directors will consider approving the bench installation when it meets on [date]. You may give your opinion regarding this matter by contacting the Association at (916) 929-8384 or nepenthe.hoa@fsresidential.com, or by attending the Board meeting.

The Board meeting date shown on the sign shall be no less than 30 days from the date the sign is erected.

The Board will consider member comments and either approve or deny the bench installation at an open Board meeting. In the case of a bench paid for by a member, if the application is denied, the Board will so inform the applicant in writing, giving the reasons for the denial within 15 days following the meeting.

If approved, the bench will be ordered and installed by management. Construction of the slab may be scheduled with other concrete work.

POTENTIAL BENCH SITE



West of 14 Adelphi

AUTHORIZED LOCATION



Southeast of 1053 Commons – Two
benches in v-formation with apex of “v”
at corner of walkway

AUTHORIZED LOCATION



East of 2264 Swarthmore

AUTHORIZED LOCATION



West of 2270 Swarthmore

AUTHORIZED LOCATION



North of 1242 Vanderbilt

AUTHORIZED LOCATION



Northwest of 1236 Vanderbilt

AUTHORIZED LOCATION



Northeast of 1235 Vanderbilt

AUTHORIZED LOCATION



Southwest of 1155 Vanderbilt

POTENTIAL BENCH SITE



North of 814 Elmhurst

AUTHORIZED LOCATION



West-southwest of 901 Elmhurst

AUTHORIZED LOCATION



West of 208 Elmhurst

AUTHORIZED LOCATION



East of 212 Dunbarton

AUTHORIZED LOCATION



West of 500 Dunbarton

AUTHORIZED LOCATION



Northwest of 1012 Dunbarton

AUTHORIZED LOCATION



East of 1455 University

POTENTIAL BENCH SITE



East of 1509 University

AUTHORIZED LOCATION



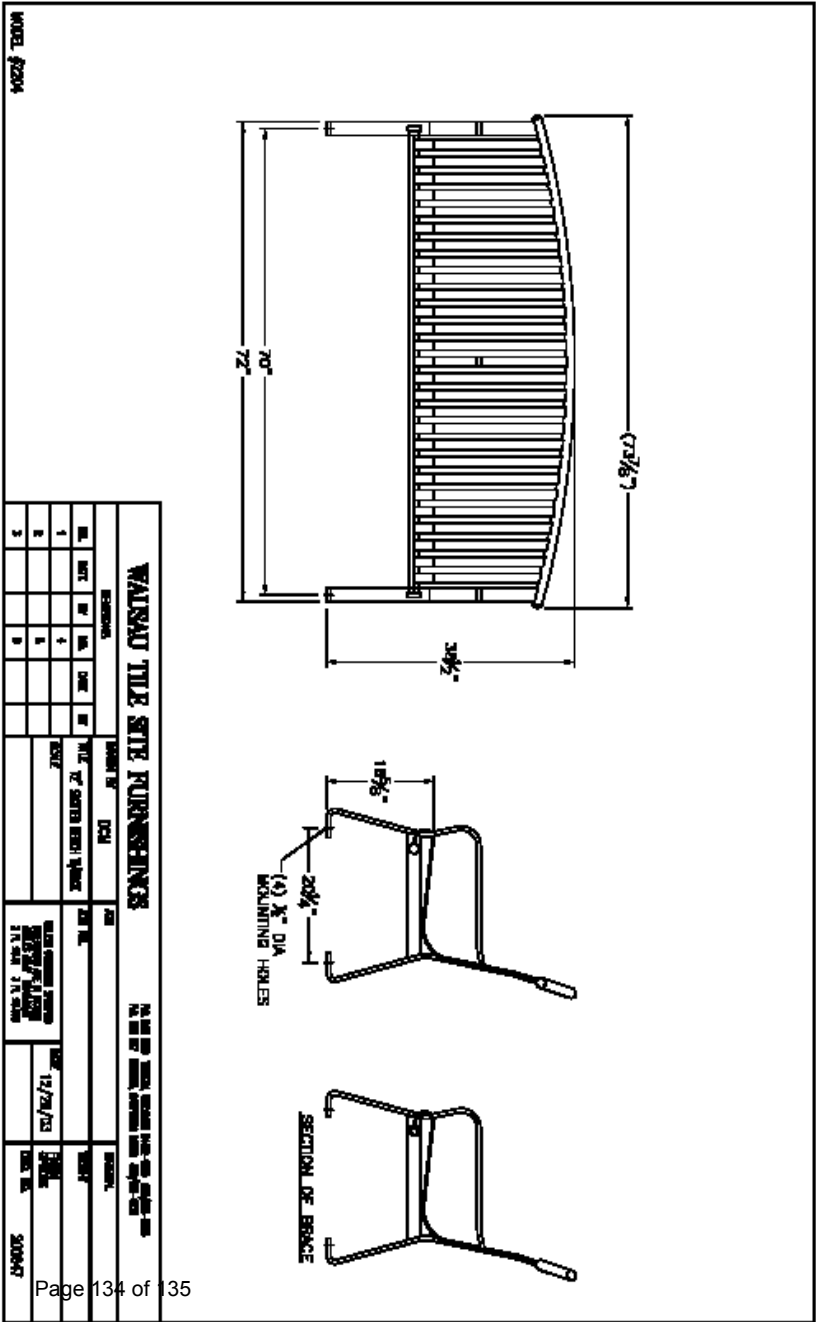
South of 1605 University
Two benches

APPROVED BENCH

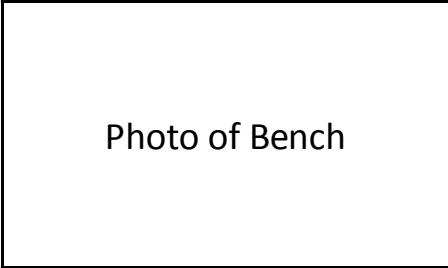


Wausau Tile model MF2204 Color: Green

DRAWING OF APPROVED BENCH, WAUSAU TILE MODEL MF2204



Sign

PROPOSED BENCH SITE		
		
Nepenthe Association intends to install a bench at this site. The design is shown in the photo above. The Board of Directors will consider approving the bench installation when it meets on [date]. You may give your opinion regarding this matter by contacting the Association at 916-929-8384 or nepenthe.hoa@fsresidential.com, or by attending the board meeting.		