



**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING**

September 2, 2020, 5:30 PM

VIA ZOOM TELECONFERENCE DUE TO COVID-19 CONSIDERATIONS

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.

OPEN SESSION AGENDA

I. CALL TO ORDER

Present	Board Member	Position
	Christina George	President
	Linda Cook	Director
	Will Vizzard	Treasurer
	Greg Beale	Secretary
	Mary Gray	Member at Large

II. ANNOUNCEMENTS

- a. **Executive Session Disclosure:** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on September 2nd to consider legal matters, member discipline, personnel and contract formation.

III. COMMITTEE REPORTS

- a. Architectural Review CommitteePages 5-9
- b. Finance Committee (no report)
- c. Grounds Committee.....Pages 10-12
- d. Insurance, Legal and Safety Committee (no report)
- e. Outreach Committee.....Pages 13-16

IV. MANAGEMENT REPORT

- a. Manager’s Financial Report - Reserve Tracker..... Page 17
- b. Management Operations ReportPages 18-20
- c. Master Calendar Report..... Page 21
- d. Landscape Status Meeting Minutes, August 25, 2020.....Pages 22-25

V. HOMEOWNER CORRESPONDENCE..... Pages 26-30

VI. 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.

VII. 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 D as presented.

Begin Consent Calendar

a. Approval of Minutes Pages 31-33

Proposed Resolution: The Open Session minutes dated July 1, 2020 are approved as presented.

Proposed Resolution: The Open Session minutes dated July 1, 2020 are approved as presented.

b. Financial Statement: July 2020 Separate Packets

Proposed Resolution: The Board accepts the July 2020 interim financial reports and bank reconciliations as presented, subject to annual review.

The reports reflect a negative year to date variance of \$150,579 and reserve funding of \$1,393,610 compared to the reserve funding budget of \$1,271,361. The Association has \$296,963 in operating funds, which represents less than one month of budgeted expenses and reserve contributions. The Association has \$9,573,221 in reserve funds.

c. Lien Resolution.....Page 34

Per the enclosed Resolution, 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
2228-01	\$1,557

d. Architectural Applications Separate Packet

The Board confirms the recommendations of the committee as noted below.

	<i>Address</i>	<i>Application for</i>	<i>Recommendation</i>
1	1425 University	Solar Panels	Approval
2	1539 University	Sunscreens	Approval
3	615 Dunbarton	Skylights	Approval
4	201 Dunbarton	Emergency HVAC	Approval
5	1005 Dunbarton	Emergency HVAC	Approval
6	1026 Vanderbilt	Emergency HVAC	Approval

End Consent Calendar

VIII. UNFINISHED BUSINESS –

a. Adopt Proposed Enforcement Policy and Fine Schedule..... Pages 35-37

The current Fines Schedule addresses only the assessment of monetary fines, but does not spell out a policy for enforcement actions before reaching the level of fines. The proposed Draft Enforcement Policy codifies the existing practices of the association.

The proposed policy has been published to the membership for a period of 28 days and the comments received are included in the Homeowner Correspondence portion of the Board packet.

Action required: Resolution

Proposed Resolution: The Board hereby adopts the Enforcement Policy and Schedule of Fines effective September 2, 2020.

IX. NEW BUSINESS

a. End of Season Pool Closing

The directors will discuss when to close the pools this year.

b. Appoint volunteers to Committee(s)

The directors review committee application in closed session for confidentiality.

Action required: Board resolution

Proposed resolution: The directors hereby appoint _____ to serve on the following committees, respectively _____ through the end of the 2021 Annual Members Meeting.

X. HOMEOWNER FORUM

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XI. NEXT MEETING: Wednesday, October 7, 2020 at 5:30 pm in the Nepenthe Clubhouse

XII. ADJOURN

NEPENTHE ARCHITECTURAL REVIEW COMMITTEE MINUTES

Tuesday, August 11, 2020 at 5:30 pm conducted via videoconferencing

Members present: Jenny Smith, chair; Alan Watters, Lee Blachowicz, Ken Luttrell, Jan Summers, Diane Vanderpot.

Absent: (Member Steve Farrar has taken a leave of absence.)

Also Present: Linda Cook, Board Liaison; Christina Romero, Assistant Community Manager

Meeting was convened at 5:32 pm.

A. Welcome and Opening Remarks. Introduction of new Board Liaison Linda Cook.

B.1. Homeowner requests not voted on:

1. **716 Dunbarton Circle** – Windows replacement in this 5500A model: Work performed without application, save for one window installation pending dry rot remediation. Cascade Windows's WinPro series of dual-paned windows were to be installed in living room, upstairs bedrooms and patio sliding doors in the kitchen, dining room and den/office. The exterior color is Capstock line's Bronze. The configuration of the living room window and the bedroom window directly above it has changed from $\frac{1}{2}$ - $\frac{1}{2}$ to a $\frac{1}{4}$ - $\frac{1}{2}$ - $\frac{1}{4}$ configuration, as is allowed by our guidelines. The contractor is D&D Windows. The installation method stated is new installation, a method Nepenthe generally discourages because it is difficult to achieve a watertight seal. The wooden window trim piece, according to the Guidelines, are supposed to remain at the original width of 1 $\frac{1}{4}$ ". However, the new wooden trim pieces (as measured at the living room window) are 3 $\frac{1}{2}$ " wide, perhaps indicating that a significant amount of siding and watertight membrane were removed. Because the proposed installation method does not meet Nepenthe Guidelines, the application was not considered and no vote was taken. For more detailed notes on how the application does not meet the Guidelines, see Appendix A.

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

2. **1425 University Drive** – Solar energy panels requested, in this 2300 model. Purchase and installation of 27 LONGi Green Energy Technology Co. Ltd. LR6-60HPH-315 modules (panels) on four roof slopes, from contractor Sunrun of Denver, CO. The inverter and the electrical panel for the system are to be mounted on the exterior siding in the area of the original circuit breaker panel and the HVAC wiring and disconnect; this area is surrounded by a fence and is not visible from the common area. The electric wire connections to and from the roof-top panels will run through the attic and walls to the on-wall inverter and panel. Nepenthe's legal contract form with Exhibits A and B has been

completed. (Vote taken by email August 25, with 4 out of 4 votes cast in favor, and 2 members not having responded yet.) **Approval Recommended.**

3. **1539 University Drive** – Sunscreens on 4 windows in this 5500 model. These special shading window screens will be placed over the living room and all three upstairs bedroom windows and will be made to order. The screen material is a fiberglass mesh, Textilene® 80, which blocks up to 80% of the sun's rays, and the color is charcoal (black). The frames are to be of bronze colored aluminum and will be mounted to wood via clips. The contractor is to be Squeaky Clean of Eldorado Hills, CA. **Approval Recommended. The ARC added the following admonition: We strongly advise the homeowner to discuss with their contractor any building code requirement for egress or exit through windows for fire safety."**

4. **615 Dunbarton Circle** – Skylights in this 3300 model. Installation of two Velux Deck-mounted FS skylights into the roof over the dining room. They will be non-venting, clear, low-e, dual pane and of high-performance glass, and the exterior frame will be of dark brown color. One skylight will be FW model size D06 of standard size 22 ½" x 45". The other will be a custom size: of the same length but slightly narrower in order to fit in between two particular trusses. The contractor is Harlan Smith. **Approval Recommended.**

B.2.A. Homeowner Requests Approved via Emergency Approvals:

5. **201 Dunbarton Circle** – Replace HVAC system in this 3300 model: Install a Ruud 14-SEER 4-ton split-system heat pump, with the condenser going into the same location as the previous one. The application calls for a new refrigerant line set to be installed on top of the siding, an installation not in keeping with Nephenthe's Guidelines. Authority Heating & Air Conditioning is to be the contractor. No vote was taken, but approved by the ARC chair only. **Emergency Approval Granted on July 30, 2020.**

6. **1005 Dunbarton Circle** – Replace HVAC system in this 4400 model: Install a Rheem 4-ton furnace and outdoor A/C condenser, with the condenser going into the same location as the previous one. The existing refrigerant line set is to be re-used. Gutzke Mechanical is to be the contractor. Vote taken by email. **Emergency Approval Granted on August 18, 2020.**

7. **1026 Vanderbilt Way** – Replace HVAC system in this 3000 model. Install a new heat pump system, with the condenser going into the same location as the previous one. The existing refrigerant line set is to be re-used. Fox Family Heating is to be the contractor. Vote taken by email. **Emergency Approval Granted on July 28, 2020.**

B.3. Homeowner Requests Not Approved: none.

C. Approval of Minutes: done via email.

D. Reviewed Notices of Completion from Homeowners: postponed until August, until Board Liaison can be present.

F. Old Business: none.

G. New Business:

Notices of Completion discussion

Now that the A.R.C. is, after a long hiatus, taking up processing returned Notices of Completion, committee members have asked how detailed an inspection is required of them for vetting an installation?

All that the CC&R's states on the subject is as follows: (Section 4.11.(c)) "Within forty five (45) days thereafter, the Architectural Review Committee, or its duly authorized representative, may inspect the improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approved plans."

"Constructed ... in substantial compliance with ... plans" is rather general. Perhaps, a general, quick look and appraisal is all that is required, speaking generally. Of course, some improvements may have particular points we may want to pay attention to. None of us is expected to provide a professional level of certification that the improvement is perfectly executed, suggests Alan, in describing how Notices of Completion (sometimes abbreviated as NOC) were handled some ten years ago.

Assistant General Manager Christina Romero has been revising the NOC form and believes in requiring photographs (preferably in color), and recommends that Notices of Completion be accompanied by photographs. Board Liaison Linda Cook is planning to communicate and recommend to the Board that the process should include photographs for NOC submission and also will recommend actual Committee inspection only in special cases. For this month, the A.R.C. appointed one member to review the batch of NOC's collected, and Jenny stated she will review the seven NOC's currently waiting for review.

H. Next meeting. Next regular meeting on Tuesday, September 8, 2020, at 5:30 pm, most likely via videoconferencing, rather than in the Clubhouse.

Meeting adjourned at 6:28 pm.

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

Appendix A

716 Dunbarton Circle windows application:

Concerns arising from application:

D&D Windows in Sacramento operates out of a little building at 3136 Auburn next to McCreery's. Looks like their other business location is in a LA Wilshire Blvd high rise. Possibly they are a middleman contractor that then subs out the work.

The Cascade Windows product line called WinPro is their lower grade, narrower frame line. The product brochure does not offer the option for installation into existing frames. To get the bronze exterior appearance, the website mentions attaching a cap over the white frame, which is reflected in the applicant bid, but the brochure also mentions painting with a wide range of brown colors. The Better Business Bureau rating for the Cascade Windows manufacturer is a "D-" (complaints about sealing, I didn't know BBB ratings even go that low).

Likely, the ARC application was filled out by the owner, resulting in significant confusion:

1. Contractor/Installer the same question was left blank. We do not know if the installer is licensed.
2. States contractor has installed windows at other Nepenthe locations, but addresses unknown. I assume your database does not have a history of D&D.
3. Says all windows will be replaced, but the contractor bid does not include a replacement window for the stairs.
4. Says window configuration will NOT remain the same, but provides no further information.
5. I would ask for an explanation regarding the note: "no vinyl approved in CA anymore." FYI, the Cascade WinPro product is made of vinyl.
6. The color ID'ed in the application is brown and this product offers many variations of brown paint coatings. The bid specifies a bronze "cap" material.
7. **With a "new construction" installation, the existing house wrap vapor barrier and waterproofing flashing will be disturbed, leading to potential structural moisture damage that is a responsibility of the HOA.** There are many different ways to seal a window. In Nepenthe's new construction, the window frame flange was likely placed over house wrap that is in good condition and not broken. Before frame installation, waterproof flashing is installed along the lower portion of the window opening. After installing the window frame, the FortiFlash waterproof flashing used in new construction is then placed over the window flange of the installed window frame. This waterproof flashing comes as narrow as four inches. I do not know if there is a minimum for new construction, but per the web recommended flashing widths ranged from 6 to 12 inches depending on what waterproofing was done prior to frame attachment.
8. The contractor "new construction" installation makes no mention of how the siding will be disturbed or lifted to install flashing, or how everything will be put back together again.
9. The application states there will be no "stacking" of windows even though the existing living room window consists of the stacking of two windows and the bid shows these two

windows. The applicant does not address frame exposure width between these two windows.

10. The applicant states she has attached a listing of Nepenthe addresses where the contractor has installed windows, but states earlier this information is unknown and no address list was attached.

I only remember one prior application for new construction, possibly with a Swarthmore address and set back, facing the green space off Commons. They removed the siding prior to window frame installation. So, the window frame appearance may be acceptable, the new construction installation plan *poses a significant risk for HOA future liability.*

**Grounds Committee Meeting Minutes
August 20, 2020 @ 3:00 PM
Zoom and Conference Call
ATTENDANCE**

Members Present

Steve Huffman, Chair
Diane Durawa
Helga Dicker
Solveig Toft
Joleen Hecht

Kay Chmielewski
Markus Dascher
Kathy Waugh
Don Landsittel
Joan Trotta

Members Absent

Diane Luttrell

Liza Tafoya

Also Present

Christina George, Board Liaison
David Culbertson, Coast (portion)

Betsi Ledesma, General Manager

Also Absent

Paul Dubois, The Grove

Homeowners Present

None

AGENDA ITEMS

Board Activities

Christina George reported recent communications between the Board and Coast. She said the Board believed that Coast had not been complying with the contract in that there had been no manager on site five days a week. **David Culbertson** had been present only two days. She said what is more, routine, monthly work was not being accomplished per the contract. Examples were ivy growing up fences, beds not cleaned out, weed growth and infrequent pruning of shrubs. It appeared staffing levels had been inadequate, as had been the training of Coast employees. The Board had met with **Kelly Solomon**, Coast's CEO. She reported they had agreed to add a manager who will be here five days a week. Her name is **Lesly Alday**. She added Coast had been given 30 days to improve.

Comments came from **Diane Durawa, Joan, Kathy** and **Steve**.

David stated extra crews would be added to catch up on routine work.

The Grove Proposal

- The notes and proposal for zone 3 were discussed. **Joleen** supported it and moved the proposal be recommended to the Board. **Steve** seconded the motion and it carried.

Coast Proposals

- Proposal 71 fall plantings in zone 7 was recommended for the Board's approval on a motion by **Solveig** and seconded by **Steve**.
- Proposal 72 for fall plantings in zone 2 was recommended for the Board's approval on a motion by **Diane Durawa** and seconded by **Joleen**.
- Proposal 73 for fall plantings in zone 1 was discussed at some length. A significant portion of the total cost, \$19,826, was for work around the clubhouse and tennis courts, which had not received an on-site review by **Diane Luttrell, Bettsi** and **Steve**. Accordingly only \$9,880 of work was recommended for the Board's approval on a motion by **Kathy** and seconded by **Steve**. **David** was asked to write a new proposal for plantings around the clubhouse, giving more detail. **Diane, Bettsi** and **Steve** would review it and visit the sites.
- Proposal 74 for fall plantings in zone 6 was recommended for the Board's approval on a motion by **Joan** and seconded by **Kathy**.

Landscape Status Meeting Report

David reported that he had consulted with an expert on Coast's staff about killing and replacing invasive grasses throughout the community. Several species of grass need to be killed with various herbicides very soon so that the affected areas can be reseeded in the spring. He will have a proposal for that work by the 27th. Because of the tight time frame it was to go to the committee and the Board simultaneously. The group emphasized the importance of clear communication with homeowners prior and during herbicide application.

Status Report on Manuals

Steve reported that all manuals had been picked up, and that he had oriented five stewards on their use so far, with an additional two the next day. He asked if any other members wanted a call and heard none. One member expressed difficulty in accessing the plant photos from the website. **Bettsi** promised to help her.

Estimated Expenditures Against Reserves vs 2020 Allocations

Steve emphasized that the allocations should not be seen as budgets not-to-exceed but as estimates of expenditures for the year. He added that keeping the allocations in mind aids in producing the next year's reserve study. He gave the following estimates:

<u>Allocation</u>	<u>Amount</u>	<u>Est actual for 2020</u>	<u>Over (under)</u>
Irrigation	\$130k	\$30k	(\$100k)
Landscape	174k	210k	35k
Trees	207k	196k	(11k)

The meeting adjourned at 4:25.

Respectfully submitted,

Steve Huffman, Chair

Next meeting: September 17 at 3:00 PM

Requests of the Board:

- Approve The Grove's proposal for zone 3.
- Approve Coast's proposal 71 for fall plantings in zone 7.
- Approve Coast's proposal 72 for fall plantings in zone 2.
- Approve Coast's proposal 73 for fall plantings in zone 1 (with four items deleted).
- Approve Coast's proposal 74 for fall plantings in zone 6.

Nepenthe Outreach-Social Committee Meeting

August 19, 2020

4:00 PM on Zoom

Amended Minutes

In attendance:

Cheryl Nelson, Organizer/Acting Chair

Jan Beale

Mary Gray, Liaison

Gerry Gelfand

Bill Olmsted

Joan Barrett, Secretary

Committee Members Not in Attendance:

Kathleen Montgomery

Karen Lowrey

Joyce Earl

Karen Van Maren

Bonnie Ueltzen

Anne Conway

Valerie Weinberg

The meeting was called to order at 4:00PM by **Acting Chairperson Cheryl Nelson** via Zoom.

The minutes for February 19, 2020 were approved unanimously.

Cheryl said that she had forwarded the last minutes from the February meeting and the proposed 2020 calendar to **Mary Gray**, our new liaison, and the committee to reacquaint everyone on what had been planned and discussed before the COVID-19 interference.

Cheryl introduced **Mary** to the small number of members who logged in to the Zoom meeting and each member introduced themselves to her and briefly explained their role in the Outreach Committee. **Jan Beale** thanked **Gerry Gelfand** and **Cheryl** for their efforts in keeping the community focused on the positive through their distribution of the clever signs that **Gerry** created and **Cheryl** placed and then moved around the neighborhood.

Mary said that she hadn't been able to actively participate in many of the events that the Outreach Committee through the years but certainly noticed and appreciated. She suggested a survey to discover people's passions and ideas in planning our future activities.

Cheryl noted the previous minutes had stated that a safe would be purchased and kept in the manager's office. She said that she would check with Bettsi to see if that had been accomplished.

Mary thanked **Gerry** and **Cheryl** for their work on the signage. **Gerry** noted that she is happy to keep making signs going forward but that she needs help in constructing them. **Joan** suggested a moratorium on signs as their effectiveness is likely diminished after their months in view.

New Business

In deciding where to go within our current restrictions, **Cheryl** asked the committee about the structure of the Committee going forward. It was decided to proceed informally until such time as the COVID-19 limitations are over and normal conditions return.

Regarding the social distancing events that the Committee would be able to plan and publicize, like Sit-Outs, it was decided that any Outreach involvement could potentially expose the Board and Committee to liability issues.

Mary would like to send a survey to the residents to get input on their passions and expertise and said that she would create the survey, suggesting such topics as community gardens, a playground and holding Renaissance classes in the clubhouse. **Cheryl** said that it seems a meeting to cover such a survey would be necessary in order to provide the basis for the survey and promised to coordinate a Zoom meeting for this purpose soon and get the results of the polling of the committee to **Mary**. **Cheryl** drafted a survey for approval by the Board.

The meeting was adjourned at 4:36PM

Respectfully submitted,

Joan Barrett, Secretary

Requests for Board Action

To approve the use of a survey to determine how the residents of Nepenthe view the Outreach Committee's previous and proposed endeavors going forward. (SEE SAMPLE ON PAGE 3)

To approve the Committee submitting possible "How to Connect During These Times" and update articles to the HOA manager for possible inclusion in the newsletter, emails or eblasts.

To be advised the Halloween Party will be converted to a pandemic-appropriate Reverse Trick or Treat, by subscription, event.

Next HOA Board Meeting- Wednesday, September 2nd- 5:30PM via Zoom

Next Outreach-Social Committee Meeting TBD, 4:00 PM via Zoom

SURVEY EXAMPLE:

Given the circumstances of 2020 and the possibility that these circumstances will continue, it seems time to examine and creatively redefine the Nepenthe community activities. The Outreach Committee is composed of resident volunteers who, with Board approval, plan and execute events and activities for the benefit of all residents. As all planned activities and events have had to be cancelled, the Committee seeks to use this forced inactivity to assess our planning, and to creatively plan new activities with re-envisioned versions of long standing events.

To assist us in our discussions, we seek input from the residents about which activities, programs and alternatives to pursue. Please take a few minutes to respond to this 2-part survey. We appreciate your information and opinions.

PART 1: What should we continue, as long as it can be done safely and within resources?

In the past we have commemorated events or seasons with activities in traditional ways. Those planned for 2020 are below. Please tell us which of the following observations you would like to see continue, but commemorated in a responsible way.

SEASONAL EVENTS

Creatively Modify

Remove

- Children’s Spring Egg Hunt
- Cinco de Mayo Cocktail Party
- Resident Forum
- Jazz at the Pool
- Annual Membership Meeting
- July 4th Children’s parade
- Ice Cream Social
- Neighborhood Night Out
- Halloween Party
- Veterans Day event
- Children’s Holiday Craft Party
- Holiday Party
- New York New Year’s Eve Party

RECURRING EVENTS

- Saturday Coffee at the Clubhouse
- Monthly Happy Hour
- Inspirational signs

What are your ideas for alternative, responsible ways to celebrate special occasions?

PART 2: What are your ideas and suggestions?

Are there activities that can foster community, cooperation, and connectedness? Feel free to be CREATIVE!!

Are you interested in working with the Outreach Committee to organize or assist with community events?

Yes. In what way? _____

How should we contact you? _____

No.

Nepenthe 2020
Reserve Tracker Report

GL Number	Reserve Component	2020 Beginning Balance	2020 Reserve Funding	Year to Date Expense	Current Balance with 2020 Reserve Funding	2020 Allocations*	Year to Date Expense	2020 Allocation Balance
22872	14000 - Recreation	20,463.06	3,744.00	-	24,207.06	630	-	630
22960	03500 Painting: Interior	13,977.18	2,535.00	-	16,512.18	3,822	-	3,822
23014	02000 Concrete	54,079.73	24,919.00	5,579	73,419.73	65,639	5,579	60,060
23103	Reserve Interest	0.00			-		-	-
23120	05000 - Roofing	3,991,665.67	835,166.00	55,371	4,771,460.67	46,490	55,371	(8,881)
23122	12000 - Pool & 13000 - Spa	183,733.77	43,461.00	2,045	225,149.77	16,300	2,045	14,255
23127	19000 - Fencing	292,157.42	73,018.00	28,280	336,895.36	77,973	28,280	49,693
23133	18000/100-115 - Landscaping-Irrigation	237,873.84	92,475.00	17,745	312,603.91	130,223	17,745	112,478
23146	21000 - Signage	36,269.24	4,345.00	-	40,614.24	6,829	-	6,829
23178	01000 Paving	861,576.92	149,240.00	-	1,010,816.92	10,250	-	10,250
23199	31000 - Reserve Study	3,844.72	2,010.00	-	5,854.72	615	-	615
L23133	26000 - Outdoor Equipment/Benches	239.73	63.00	-	302.73		-	-
L23135	03000 Painting: Exterior	651,759.38	176,362.00	-	828,121.38	32,149	-	32,149
23136	04000 - Structural Repairs	1,353,845.90	452,959.00	103,441	1,703,363.91	134,961	103,441	31,520
N22912	23000 - Mechanical Equip	76,407.67	5,402.00	-	81,809.67	1,891	-	1,891
N22991	20000 - Lighting	16,793.66	7,957.00	7,305	17,445.66	11,314	7,305	4,009
N23017	08000 - Rehab, 22000 - Office Equipment, 24000 - Furnishings, 24600 - Safety / Access, 25000 - Flooring, 27000 - Appliances	227,999.05	38,458.00	4,265	262,192.05	-	4,265	(4,265)
N23130	32000 - Undesignated	6,425.54	2,932.00	-	9,357.54	7,880	-	7,880
N23274	17000 - Tennis Court	122,359.25	13,391.00	-	135,750.25		-	-
N23275	18000/120-144 - Landscaping-Plantings	142,087.62	64,846.00	91,939	114,994.30	174,250	91,939	82,311
N23282	18000/160 - Landscaping-Trees	168,690.83	150,218.00	131,984	186,925.08	206,875	131,984	74,891
N22911	30000 - Miscellaneous / Underground Utilities	92,898.80	35,971.00	26,228	102,642.25	81,783	26,228	55,555
Totals		\$8,555,149	\$2,179,472	\$474,182	\$10,260,439	\$ 1,009,874.00	\$ 474,181.60	\$ 535,692.40

Estimated Ending Reserve Balance Per Study

9,953,246

*Projected expenditures per the adopted Reserve Study for 2020

Updated:

8/27/2020



Nepenthe Association

Management Report – September 2, 2020

1 COMMUNICATION

1.1 THE NEPENTHE NEWS WAS LAST PUBLISHED ON AUGUST 7, 2020. THE NEXT NEWSLETTER WILL BE PUBLISHED ON SEPTEMBER 4, 2020. TOPICS TO BE COVERED INCLUDE:

- Cash Flow Report
- Pool Rules
- Reporting problems and requesting service
- Parking Reminders
- Landscape updates

1.2 WEBSITE:

- Community website, www.NepentheHOA.com, is up to date and complete.

2 ADMINISTRATION

2.1.1 **Resident Registration-** In July, five homes were sold. The association welcomed three resident owners and two non-resident owners.

2.1.2 **Annual Insurance Renewal-** the renewal packet is in the executive session packet.

3 FACILITIES

3.1.1 **Painting Water Meters**

The handyman painted large paint swatches on the two large meters in the Commons Drive roundabout. There are four colors and they are labeled. Progressive Painting is waiting on our decision for color so they can paint the meters throughout the community.

3.1.2 **Fencing Repairs** – We continue to work through the list of fences left over from 2018/2019. Since last month, three of those fences have been evaluated as category 2 so we have not sought bids and informed the owners that repairs are not warranted at this time.

Each month we receive service requests from other owners with concerns about their fences. Absent any other procedure, we have the Elite handyman evaluate the fence and complete the form. If category 3 or 4, we obtain bids from Elite, JWS and Aguilar. If category 1 or 2, Elite conducts necessary repairs.

At this time, there are seven approved fence repairs in progress in the community.

3.1.3 **Janitorial Service** – Custom Care Cleaning, our janitorial service, has performed its nightly cleaning service for the month of July. Standing hand sanitizing stations are on back order for the three pool centers.

3.1.4 **Clubhouse**

3.1.4.1 **Operations** – *Saturday hours have resumed from 10:00 am to 2:00 pm. Due to Nirmal taking vacation time for her son’s wedding, the clubhouse will be closed August 29 and September 5. Clubhouse will also be closed for Labor Day, Monday, September 7th.*

3.1.4.2 **Rentals** – *All rentals have been cancelled or postponed in light of the pandemic.*

4 GROUND

4.1 **LANDSCAPE**

The Board is encouraged to review the enclosed Landscape Status Meeting Minutes to see all landscape work in progress.

5 FINANCIAL

5.1 **JULY 2020 FINANCIALS**

The financials are provided under separate packet for review. Management has prepared a report on the reserve spending which is included in the Board packet. Per California civil code, the Board reviews and accepts the financials monthly.

6 GOVERNANCE

6.1 **DRAFT ENFORCEMENT POLICY AND FINES SCHEDULE**

This draft policy has been posted for the 28-day period for comments. Comments received are in the Board Packet under homeowner correspondence.

6.2 **COURTESY PATROL**

Reports are reviewed by management daily, recapping the rounds and interactions of the officers on duty.

6.3 **VIOLATIONS BY CATEGORY, 7/28/20 TO 8/28/20**

Violation Categories/Sub-Categories	Count
Architectural Modification-Not Approved	1

Architectural Modification-Not Within Architectural Guidelines	1
Common Area-Encroachment	1
Garage-Improper Garage Use	1
Landscaping-Tree Maintenance	4
Landscaping-Trim Shrubs	3
Landscaping-Trim Trees	10
Maintenance / Repair-Other	1
Maintenance / Repair-Siding	1
Non-Compliance-Other	8
Parking-Improperly Parked	4
Trash-Remove Debris	1
Unauthorized Object-Other	1
Vehicles-Not permitted	1
Total:	38

8/5/20	Board Meeting: Closed,4PM, Open 5:30pm	8/5/20
8/7/20	Nepenthe News Published	8/7/20
8/11/20	Insurance,Legal,and Safety Committee Meeting 5:00pm	cancelled
8/11/20	ARC Meeting 5:30pm	8/11/20
8/14/20	Financials published and distributed to Board and Finance Committee	published 8/26/20
TBD	Finance Committee meeting 4:00pm	no meeting
8/17/20	Outreach Committee Meeting 4:30pm	8/19/20
8/26/20	Committee Minutes due in mangement office	8/26/20
8/26/20	Lock Agenda for 9/2/20 Meetings 1) Board adopts 2021 Reserve Study	8/26/20
8/28/20	Manager posts agenda and distributes Board packets	8/28/20
8/30/20	Jazz By Pool	cancelled
9/2/20	Board Meeting: Closed,4PM, Open 5:30pm	
9/4/20	Nepenthe News Published	
9/7/20	Office Closed for Labor Day	
9/8/20	ARC Meeting 5:30pm	
9/8/20	Insurance,Legal,and Safety Committee Meeting 5:00pm	
9/15/20	Financials published and distributed to Board and Finance Committee	
TBD	Finance Committee meeting 4:00pm	
9/16/20	Outreach Committee Meeting 4:30pm	
9/17/20	Grounds Committee Meeting 3:00pm	
9/30/20	Committee Minutes due in mangement office	
9/30/20	Lock in agenda for 10/7 Board Meeting 1) Approve 2021 Budget 2) Let roof & gutter cleaning contract 3) Paula Hegner Letter of Engagement	
9/27/20	Jazz By Pool	
10/2/20	Manager posts agenda and distributes Board packets	
9/30/20	Annual Education Event "Living at Nepenthe: What you need to Know"	



Weekly Landscape Status Meeting

Tuesday, August 25, 2020

2:00 pm by Teleconference

MINUTES

General Manager, Bettsi Ledesma
Landscape Manager, David Culbertson
Site Manager, Lesly Alday
Grounds Chair, Steve Huffman
Board Liaison, Christina George

Status Updates on approved Proposals in progress:

- Proposal 51, Zone 6A, WO 892596: Status Update
 - 602 Elmhurst- 5 Correa ordered; wrong plant received. Will switch out for Cotoneaster. 8/18/20: Waiting for first week of September (cooler temps).
- Proposal 55, Howe Ave berm turf removal WO 902709; 8/18/20 status 40% completed, target completion date September 30th
- Proposal 64, Zone 4 Bark, \$4,300, WO 930673, schedule date for bark truck- Aug 26
- Proposal 65, Zone 5 Bark, \$2,340, WO 930674 schedule date for bark truck Aug 27
- Proposal 66, Zone 6 Bark, \$5,369.50, WO 930675 schedule date for bark truck Aug 28

Pending Proposals:

- Proposal 46893-67, Zone 7 Levee Berm Renovation, \$18,650
- Zone 1 Walk 6/12/20 and Fall Planting Walk on 7/29/20 – Proposal 46893-73 Received 8/14/20
- Zone 6 Fall Planting Walk, 7/17/20 -3 separate proposals:
 - turf conversion on University near 608 Elmhurst -Proposal still outstanding
 - 100-108 Elmhurst (Prep work in 2020 and planting in 2021) -Proposal still outstanding
 - Landscape Enhancements, Proposal 46893-74 Received 8/17/20
- Zone 7, Fall Planting Walk, 7/24/20 – Proposal 46893-71 Received 8/14/20
- Zone 2, Fall Planting Walk, 8/5/20

Work Orders Status: Reviewed report -significant improvement in the amount of open work orders.



Homeowner Requests:

503 Elmhurst, Friday, 8-21-20: Reports that her alley neighbors had all been pruned and detailed but her alley area had not.

Lesly or David to check and let us know what the status and when she can expect pruning and cleanup. We will also look at this tomorrow.

1545 University, Received letter from owner 8/24/2020: Requesting that low ground cover be planted instead of the ferns approved by the Board.

Management will advise that no change shall be made to planting plan.

From Grounds Chair:

- Letter from Kathleen Sadao
- Debra Mendelson: You and I got her message. I assume she'll get her bark this week as part of the big bark delivery, but I want Coast to confirm that.

We'll be introduced to Lesly Alday. Before Wednesday's zone 5 walk I hope she will have read at a minimum, Exhibit A to the contract. That way she'll have our expectations for routine maintenance. Although the emphasis of the walk will be on fall and winter plantings, you can be sure maintenance will come up.

From Coast: Considering the poor air quality, landscaper requested the following two considerations which were agreed to in this meeting:

- Allow crews to run blowers earlier than normal to be more efficient in the morning hours.
- Prioritize weeding, pruning and cleanup over mowing until the air quality improves.

Tree Work: Board is expected to approve Zone 3 Tree Proposal at their September meeting. Next Tree Walk is September 2 in zone 6.

General Notes

- David has provided report of all failed warranty plantings for our review. It is in PDF format and has hand written notes. He will re-type and send to group.
- **Xfinity cable project**
Bettsi visited all work sites noted on maps from Xfinity and took photos. She reported that there are lights out on Elmhurst that CableCon will be reimbursing the association for the cost to repair. Will continue to work with Project Coordinator on remediation.



- **RESERVE STUDY ASSUMPTIONS:**

TURF IMPROVEMENT

Landscaper advised that there will be two focuses for this project: invasive grasses and poor irrigation coverage.

Regarding the invasive grasses, we are using the assumption that 20% of the approximate 13 acres of turf is invasive. Future needs will be brought to reserve analyst for 2022 as well.

To replace with sod would cost an estimated **\$216,000** (\$2 per square foot x 108,000 square feet).

To replace with seed would cost an estimated **\$156,600** (\$1.45 per square foot [\$.45 demo and \$1 seed] x 108,000 square feet with fertilizer and top dressing)

8/18/2020: David is not sure that these assumptions are adequate to cover winter Bermuda grass PLUS the summer turf weeds. Some varieties require repeated applications of Round Up during the growing season. David has invited a horticultural specialist from the Napa office to come out to Nepenthe to offer more guidance.

IRRIGATION

From David: A breakdown of areas of concern that we propose for irrigation renovation for 2021 has been provided, though some may want to be addressed prior to fall planting. Juan and I have identified 13 areas to be addressed in 5 different zones.

As discussed, we looked at safety hazards, plant health and water efficiency and determined the areas in most dire need of an irrigation overhaul. In those areas, we plan on:

- Moving the sprinklers so that they are not watering over the sidewalks
- Locating sprinklers for a more even coverage in turf and shrub beds
- Separating, when possible, turf irrigation from shrub irrigation
- Adding drip to shrub beds for water conservation
- Upgrading sprinklers for improved water efficiency

RESERVE STUDY ASSUMPTIONS: Is it time to look at replacing the irrigation timers for Zones 5 and 1? We discussed the condition of the existing timers and agreed that, for Reserve purposes, we need to understand the lifespan of our controllers, what enhancements may exist that can help us to be better water stewards and what kind of replacement costs we should expect. David will come back with some budget numbers to discuss.



City restrictions on watering are different for Smart Controllers. Smart Controllers are permitted to override restrictions. Just a general note for beginning the process of looking at our controllers.

Bettsi Ledesma

From: Erin Bassi <erinmichele1217@gmail.com>
Sent: Saturday, August 8, 2020 10:02 PM
To: Bettsi Ledesma
Subject: Re: August Nepenthe News

Hi Bettsi,

I hope you had fun with Your son's birthday.

I saw the newsletter and my only concern about trying to fine residents for violations just seems like a bad time to put that into place and fines are excessively expensive.

We are in a pandemic and adding a financial burden to residents is concerning during these times . The association should not financially burden there residents when they are concerned about their health and losing their jobs.

Sincerely,

Erin Bassi
I vote no!

Do we get to vote! I wonder who's idea this

On Fri, Aug 7, 2020 at 5:59 PM <bettsi.ledesma@fsresidential.com> wrote:

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



August 7, 2020

RE: August Nepenthe News

Happy Friday, Nepenthe!

Here is the latest newsletter. I hope you find it useful and informative. If you have any questions or feedback, please let me know. You can also access the newsletter on the community website here: <https://nepenthehoa.com/newsletter/>

I'm off to celebrate my son's birthday- he went from 7 to 27 in the blink of an eye! I wish you all a restful, fun and pleasant weekend!

Kind regards,

Bettsi Ledesma, CMCA
General Manager

[View Attachment\(s\)](#)

If the above link is not clickable please copy and paste the link below into your browser's address window:

<https://california.fsrconnect.com/cq07QdcO90iTbru/ODAxNDM%3d/mcis3mmjtz.05z.aspx>

Click here to [Unsubscribe](#)

mc: 80143

Bettsi Ledesma

From: Sue Henderson <suhend@sbcglobal.net>
Sent: Thursday, August 6, 2020 6:46 PM
To: Bettsi Ledesma
Subject: No Parking Signs for Dunbarton

Dear Bettsi and Board of Directors,

This is a picture I took this evening. Two cars parked in front of our house in a no parking area. This is a common occurrence. It is much worse when the cabana is in use. Sometimes blocking our front door exit.

Carol Duke brought this up last night at the Board meeting. We need more no parking signs, not just in front of 200 Dunbarton but also at 216 and possibly other areas. I believe some people who are guests don't know it's a no parking area. I have emailed Bettsi in the past with the suggestion of additional no parking signs. I was glad Carol brought the subject to the board's attention. A few more signs could make a difference.

Thank you,
Sue Henderson



Sent from my iPhone

Bettsi Ledesma

From: Kathleen Sadao <ksadao@comcast.net>
Sent: Friday, August 21, 2020 7:37 AM
To: president@nepenthehoa.com; memberatlarge@nepenthehoa.com;
vicepresident@nepenthehoa.com
Cc: Bettsi Ledesma
Subject: Unacceptable grounds keeping example

Hello Board members:

I wanted to just visually let you know of the continued substandard job the coast company is doing in our neighborhood; the mow and blow. But what they don't do is weed and rake. This weekend, I finally couldn't stand the leaves and cedar tree droppings piled up against the rotting fence and went ahead and raked and weeded and created two huge piles. It looks like it should if they were doing their job. On Tuesday, I caught one of the workers get out of his truck and with his blower, proceed to blow all of the dirt and leaves in the gutter back up toward my fence after the other worker had just blown the grass cuttings down to the gutter. This is one example of why we as an HOA need to put out the contract again for bid. When GP was doing the work it looked fantastic and I never had to rake or fix their work. Please consider this request.

Thanks for your continued commitment to our HOA.

Kathleen Sadao
1318 commons drive





**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING**

August 5, 2020, 5:30 PM

VIA ZOOM TELECONFERENCE DUE TO COVID-19 CONSIDERATIONS
Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

OPEN SESSION MINUTES

I. CALL TO ORDER 5:31 PM

Present	Board Member	Position
X	Christina George	President
X	Linda Cook	Vice President
X	Will Vizzard	Treasurer
X	Greg Beale	Secretary
X	Mary Gray	Director

II. ANNOUNCEMENTS

- a. **Executive Session Disclosure:** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on August 5, 2020 to consider legal matters, member discipline, personnel and contract formation.

III. COMMITTEE REPORTS – The Directors accepted the reports of the committees

- a. Architectural Review Committee
- b. Finance Committee (no report)
- c. Grounds Committee
- d. Insurance, Legal and Safety Committee (no report)
- e. Outreach Committee (no report)

IV. MANAGEMENT REPORT – The Directors accepted the Manager’s reports

- a. Manager’s Financial Report - Reserve Tracker
- b. Management Operations Report
- c. Landscape Status Meeting Minutes, July 28, 2020

V. HOMEOWNER CORRESPONDENCE – The Directors reviewed correspondence received from members.

VI. HOMEOWNER FORUM – A number of members addressed the Board.

VII. CONSENT CALENDAR

In an effort to expedite the Board meetings, Management placed several business items on a Consent Calendar.

Action required: Board Resolution.

Resolution: The Board approves the Consent Calendar Items A to D as presented.

Motion: Director Beale

Second: Director Cook

Vote: All in Favor

Begin Consent Calendar

- a. **Minutes:** The Open Session minutes dated July 1, 2020 were approved as presented.

- b. **Financial Statement:** The Board accepts the June 2020 interim financial reports and bank reconciliations as presented, subject to annual review. The reports reflect a negative year to date variance of \$159,116 and reserve funding of \$1,210,433.55 compared to the reserve funding budget of \$1,089,738. The Association has \$304,617 in operating funds, which represents less than one month of budgeted expenses and reserve contributions. The Association has \$9,267,398 in reserve funds.

- c. **Lien Resolution:** The Board authorized management 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
2228-01	\$1,038
2406-03	\$1,199.93

d. Architectural Applications

The Board confirms the recommendations of the committee as noted below.

	Address	Application for	Recommendation
1	1426 Commons	Awning	Approval
2	714 Dunbarton	Patio Hardscape	Approval
3	903 Elmhurst	Security Cameras	Approval
4	1203 Vanderbilt	Security Cameras	Approval

End Consent Calendar

VIII. UNFINISHED BUSINESS - None

IX. NEW BUSINESS

a. Grounds Stewards Manuals

The directors reviewed the proposed contents and photos of plants and trees for inclusion in the Grounds Stewards Manuals. It was agreed to put the photos on the website instead of printing them.

b. Adopt Proposed Enforcement Policy and Fine Schedule

Resolution: The Board approves the Proposed Enforcement Policy and Schedule of Fines for Notice to the ownership that the policy will be adopted by the directors at the September 2, 2020 Open Session at 5:30 pm.

Motion: Director Beale

Second: Director Cook

Vote: All in Favor

X. HOMEOWNER FORUM – A number of members addressed the Board.

XI. NEXT MEETING: Wednesday, September 2, 2020 at 5:30 pm in the Nepenthe Clubhouse

XII. ADJOURN 6:01pm

NEPENTHE

August 17, 2020

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.

Date	Account No.	Total Amt Due	Past Due Assessment Only	Approved	Denied	Comment
8/17/20	2228-01	\$2,083.48	\$1,557.00			

Deferred Items from prior meeting

Date	Account No.	Total Amt Due	Past Due Assessment Only	Approved	Denied	Comment

Any two (2) Board members must sign:

By: _____ Date: _____

By: _____ Date: _____



Nepenthe Association

Enforcement Policy and Schedule of Fines

[Adopted _____, 2020]

1. It is the goal of Nepenthe Association to make its Owners and residents aware of the Association's CC&Rs, Bylaws, Articles of Incorporation, rules and policies ("Governing Documents") that govern use of the property in Nepenthe and to provide for an orderly and fair manner for enforcement of the Governing Documents. The Governing Documents may be enforced in accordance with their provisions and the laws of the State of California. This Enforcement Policy and Schedule of Fines lists certain categories of violations of the Governing Documents, provides for the Board's response to such violations, and sets forth the Association's fine schedule.

Owners' guests, tenants, family members, and invitees are subject to the same obligations imposed on Owners to comply with the Governing Documents, and Owners are subject to disciplinary action when their guests, tenants, family members, and invitees fail to comply with the Governing Documents.

2. Enforcement Policy

A. It is the policy of the Association to receive notice of alleged violations from management, Board members, committee members, and Owners. Reports of violations must be in writing, including email.

Upon receipt of notice of an alleged violation, the Board and/or a committee will investigate the alleged violation within a reasonable time thereafter. If the Board and/or a committee determines that a violation has likely occurred, the Association will take the following actions before the Board imposes any disciplinary action for alleged violations, including monetary penalties (fines) or suspension of membership rights against any Owner for failure to comply with the Governing Documents.

(i) Mail a letter to the Owner setting forth the alleged violation and requesting corrective action to be taken within a reasonable period of time. This letter shall be referred to as a "courtesy notification letter" or "notice of violation."

(ii) If no corrective action has been taken within that period of time, the Board, in its discretion, may send another courtesy notification letter / notice of violation, a Notice of Board Hearing (to determine whether to impose discipline), a Request for Resolution (request that the Owner participates in mediation), or a combined Notice of Board Hearing / Request for Resolution. The Board may send a Notice of Board Hearing, Request for Resolution, or a combined Notice of Board Hearing / Request for Resolution without first sending a courtesy notification letter / notice of violation.

(iii) The Notice of Board Hearing (or combined Notice of Board Hearing / Request for Resolution) will set forth the date, time, and place for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents, a reference to the Governing Document provision alleged to have been violated, and a statement that the Owner has a right to attend and may address the Board or committee at the hearing. The Association must send the Notice of Board Hearing by U.S. Mail at least ten (10) days before the hearing.

(iv) If the Owner fails to appear at the hearing, the Board must nevertheless consider evidence presented to it in connection with its investigation, and it must determine whether or not a violation has occurred.

(v) Within fifteen (15) days after the hearing, the Association must send written notice to the Owner of its decision.

B. The following items are considered to be disciplinary actions requiring a hearing before imposition.

(i) Fines. (See the Fine Schedule below.)

(ii) Suspension of the rights to use recreational common facilities.

(iii) Special Individual Assessments for the costs and expenses, including reasonable attorney's fees, incurred by the Association in enforcing violations of the Governing Documents. (CC&Rs, Article VIII, Section 8.4 and Article XVI, Sections 16.6 and 16.9.)

(iv) Steps toward legal action.

C. The following items are not considered disciplinary actions and therefore do not require a prior hearing.

(i) Courtesy notification letters / notice of violation.

(ii) Institution of legal proceedings.

(iii) Emergency entry of a lot to remedy a health or safety hazard.

(iv) Initiation of alternative dispute resolution (request for resolution) proceedings.

(v) Towing vehicles improperly parked on the common areas at the Owner's expense.

D. Violations that require maintenance or repairs.

These are violations that may result in the Association performing maintenance or repairs. If such a violation occurs, the Association may send a notice of violation to the Owner requesting that the Owner correct the violation within a reasonable amount of time or immediately if the violation creates an imminent health or safety hazard. If the Owner fails to correct the violation in a timely manner, then the Association may do as follows.

(i) Perform the maintenance or repairs.

(ii) Charge the Owner for the maintenance or repair costs.

(iii) Deliver to the Owner a "Notice of Board Hearing" or a combined "Request for Resolution / Notice of Board Hearing."

(iv) After a Board hearing, impose fines and/or other discipline.

3. Schedule of Fines

A. To ensure compliance with the required Architectural Review and Approval procedures set forth in the Association's CC&Rs, Article IV, the Association's Architectural Review Committee Guidelines and Home Improvement Application, and any other rules that may be adopted by the Association related thereto (collectively, "Architectural Rules"), the Board may impose the following fines, in addition to any other disciplinary actions.

(i) An Owner making an improvement to their lot without fully complying with the Architectural Rules and

obtaining approval for the improvement from the Association's Architectural Review Committee confirmed by the Association's Board (CC&Rs, Section 4.1(a)) may be assessed a fine of up to \$500 per violation.

(ii) An Owner making an improvement to their lot without fully complying with the Architectural Rules and obtaining approval for the improvement from the Association's Architectural Review Committee confirmed by the Association's Board, and who fails to obtain subsequent approval of the improvement from the Association's Architectural Review Committee confirmed by the Association's Board, may be required to remove or modify the noncomplying improvement, pay attorney's fees and costs incurred by the Association to attempt to compel the Owner's compliance, and may be assessed a fine of up to \$100/day until the noncomplying improvement is removed or modified as required by the Board.

B. For violations other than of Architectural Rules set forth in Section 3(A) above, the Board may impose the following fines.

(i) For first violations: up to \$500.

(ii) For second violations (same offense or same nature): up to \$750.

(iii) For third or subsequent violations (same offense or same nature): up to \$1,000.

(iv) For Continuous Violations: A per day, week, or month amount set by the Board based on the merits of each violation.

The CC&Rs, Section 16.6(c), Definition of "Violation", provide:

A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per day, week, or month component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

C. Failure to pay a fine may result in the matter being referred to a collection company and/or attorney. The Association may also pursue a lawsuit. If the Association obtains a court judgment against an Owner, the judgment accrues interest at the legal rate (currently 10% annually). Any judgment obtained against an Owner may be recorded at the County Recorder's office. A recorded judgment creates a lien against the Owner's lot which may result in a foreclosure action, or the lien may remain against the lot, accruing interest, until it is satisfied from the proceeds of a sale of the lot or refinancing of the loans secured by the lot.