

**NEPENTHE ASSOCIATION  
BOARD OF DIRECTORS MEETING  
December 7, 2016, 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.

Members may comment or ask questions about any agenda item during the two homeowner forums (Items VI and X). 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.

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.

<b>OPEN SESSION AGENDA</b>
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**I. CALL TO ORDER**

Present	Arrival	Board Member	Positon	Departure
			President	
		Steve Huffman	Vice President	
		Linda Cook	Secretary	
		Will Vizzard	Treasurer	
		Joan Haradon	Member at Large	

**II. ANNOUNCEMENTS**

- a. **Executive Session Disclosure:** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on December 7, 2016 in order to consider matters relating to the formation of contracts, personnel matters and member discipline.
- b. **Board Announcements**

**III. COMMITTEE REPORTS**

- a. **Ad Hoc Committee on University Ave. Lots**
- b. **Architectural Review Committee ..... Pages 8-9**
- c. **Finance Committee .....Page 10**
- d. **Grounds Committee ..... Pages 11-13**
- e. **Insurance, Legal and Safety Committee**

f. **Outreach Committee** ..... **Pages 14-15**

**IV. MANAGEMENT REPORTS**

a. **Operations Report**..... **Pages 16-18**

b. **Master Calendar Report** ..... **Page 19**

**V. HOMEOWNER CORRESPONDENCE**..... **Page 20**

**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 E as presented.**

<i>Begin Consent Calendar</i>
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- a. **Approval of Minutes November 2, 2016 Open Session** ..... **Pages 21-24**  
Proposed Resolution: The Open Session minutes dated October 05, 2016 are approved as presented.
- b. **Financial Statement: October 2016**..... **Pages 25-36**  
Proposed Resolution: The Board accepts the October 2016 interim financial reports and bank reconciliations as presented, subject to annual review. The report reflects a positive year to date variance of \$264,761.27 and reserve funding of \$1,500,282.13 compared to the reserve funding budget of \$1,473,894. The reserves are funded through August 2016. The Association has \$531,920.63 in operating funds, which represents 1.96 months of budgeted expenses and reserve contributions. The Association has \$5,578,800.68 in reserve funds.
- c. **Lien Resolution** ..... **Page 37**  
Per the enclosed Resolution dated November 18, 2016, 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
2356-01	\$2,156.00
1957-01	\$914.00
2112-04	\$903.47
2378-02	\$914.00

**d. Architectural Applications ..... Pages 38-42**

The Architectural Review Committee met on November 14, 2016 to review the enclosed applications.

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

<i>Address</i>	<i>Application for</i>	<i>Recommendation</i>
2325 Swarthmore	Window Replacements	Approve
215 Elmhurst Circle	Window Replacements	Approve
2257 Swarthmore Drive	Trellis Cover	Approve
1127 Commons Drive	HVAC repair: re-location of compressor and new lineset.	Emergency Approval provided
106 Dunbarton Circle	HVAC replacement	Emergency Approval provided

*End Consent Calendar*

**VIII. UNFINISHED BUSINESS - None**

**IX. NEW BUSINESS**

**a. Discussion Item – Board Goals.....Page 43**

The Directors will discuss their progress with their 2016 Goals and discuss possible 2017 Goals. Some possible recommended goals may include:

- Complete irrigation improvements along all street frontages in the community by converting to subterranean drip or low flow nozzles.
- Address noise, pollution and homeless problems along Howe Avenue frontage by approaching the City of Sacramento and requesting that a sound wall be built.

**b. Waiver of Insurance Requirements for Consultant**

The Board has entered into contract with Kristin Vandersluis for consulting work related to the drafting and implementation of an amendment to the parking section of the CC&Rs. The Board will consider whether to waive the insurance requirements

recommended by the management company. The Insurance, Legal & Safety Committee was consulted on this matter and their confidential report was reviewed in executive session. Their recommendation is that Professional Liability Insurance is not required for the work she is undertaking, but that she should obtain Commercial General Liability Insurance and agree to abide by Nepenthe's Conflict of Interest Policy. Ms. Vandersluis has agreed to do so.

**Action required:** Board resolution

**Proposed Resolution:**

We, the undersigned, Members of the Board of Directors of Nepenthe Association organized under the Non-Profit General Corporation Law of California; being all current Members of such Board as presently constituted do by this writing, consent to make the following resolution.

WHEREAS, the Board of Directors has the duty to administer the affairs of the corporation,

Management has requested insurance, license and W-9 information from Kristin Vandersluis. She has provided all required items except those checked below:

**Professional Service Vendors**

\_\_\_ Proof of Professional Liability (or Errors and Omissions) Coverage with \$1,000,000 limit.

IT IS HEREBY RESOLVED by this action the Board of Directors has reviewed the matter and approves Kristin Vandersluis' current qualifications.

We direct that this resolution be filed in the Minute Book of the Corporation.

**c. Changes to Insurance, Legal & Safety Committee**

The current membership of the Insurance, Legal and Safety Committee is Bill Newbill, Chair, Nancy Arndorfer, Richard Coombs, Jerry Dunn, Mark Gorton and Bill Olmsted. All have previously been approved by the Board.

Richard Coombs is no longer a member of Nepenthe, but he is willing to continue serving as an advisor.

Bill Newbill is willing to continue his service on the committee, and he is willing to cede the chairmanship to Nancy Arndorfer, who is willing to take that role.

**Action required:** Board Resolution

**Proposed Resolution:** The Board of Directors hereby approves this new roster for the committee:

Nancy Arndorfer, Chair  
Jerry Dunn, Committee Member

Mark Gorton, Committee Member  
Bill Olmsted, Committee Member  
Richard, Coombs, Advisor

**d. Appoint Nominating Committee**

Pursuant to Bylaw Article IV, Section 4.6(a), the Board of Directors shall appoint a nominating committee consisting of at least three (3) Owners, one of whom shall serve as the chair and be a member of the Board of Directors. Not later than sixty (60) days prior to the Owners’ meeting, the Board of Directors shall hold a special meeting (the “Nominating Meeting”) for the purpose of receiving the nominating committee’s written report.

**Action Required:** Board Resolution

**Proposed Resolution:** The Board of Directors hereby appoints Director Cook to chair the nominating committee and also appoints Owners Karen Lowrey and Diana Vizzard to serve on the committee.

**e. Appoint members to Architectural Review Committee**

Board liaison Joan Haradon and acting chair Alan Watters have conducted an exhaustive recruitment and application process in order to strengthen the committee’s membership roster. Five homeowners have put themselves forward to serve on this important committee.

**Action required:** Board Resolution

**Proposed Resolution:** The Board of Directors hereby appoints Jenny Smith to chair the Architectural Review Committee and also appoints Cheryll Cochrane, Bill Henle, Diane Vanderpot and Joel Weeden to serve on the committee.

**f. Discussion Item: Shall the Board Create a Policy to Address Requests from Homeowners to Fence in Small Portions of the Common Area?..... Pages 44-47**

The Insurance, Legal & Safety Committee has requested an opinion from the association’s attorney, Bradley Epstein of Angius-Terry, LLC, regarding the occasional request received by homeowners to move the fence to accommodate an air conditioning compressor or some other reason.

Mr. Epstein’s opinion is that a license agreement can be entered into with the homeowner allowing them exclusive use of the commons area for a specified purpose and/or time period.

Should the Board create and pass a policy on this subject?

**Action required:** Board discussion

**g. Proposals for Tree Work..... Pages 48-62**

Arborist Paul Dubois of The Grove Total Tree Care walked the property on October 24 accompanied by Grounds Committee member Elsa Morrison, Grounds Chair Pam

Livingston and General Manager Bettsi Ledesma. The purpose of the walk was to inspect trees identified by residents, Grounds Committee members and management as potentially failing and/or hazardous and to complete an overview inspection of the trees in Zone 3. His report was provided to the Grounds Committee who reviewed it on November 10 and asked Mr. Dubois to prepare the enclosed proposals for Board action. The specific work identified is as follows:

- Birch 890 at 1329 Commons, Remove & Stump Grind, \$480.00
- Interior Live Oak #887 at corner of 2312 Swarthmore, Inspect Cable System, Weight Reduction Pruning, \$720.00
- Interior Live Oak #895 at 1329 Commons, Remove Cable System, \$130.00
- Ash #1035 at 813 Dunbarton, Remove Deadwood and Over weighted Portions, \$360.00
- Redwood #738 at 903 Dunbarton, Remove Dead Top, \$360.00
- Tulips 2022, 2024 and 2082 at 1473 University, Weight Reduction and Removal of Deadwood, \$2,160.
- Structural pruning and stake removal on the following trees: Japanese Maple at 1131 Commons, Silver Maple #1003 at 703 Dunbarton, Pistache #737 at 813 Dunbarton, Redbud #588 at 1276 Vanderbilt, Crepe Myrtle #989 at 615 Dunbarton, \$480.00

Report .....Pages 48-59  
 Proposal .....Pages 60-62

**Action Required:** Board resolution

**Proposed Resolution:** The Board approves the removals and specific tree pruning as proposed by Grove Total Tree Care for the amount of \$4,690, payable from Reserves which has a remaining 2016 allocation for tree work of \$56,089 +/-.

- h. Flood Insurance Renewal ..... Pages 63-65**  
 Enclosed is the Flood Insurance summary report showing the coverages and premiums for all 590 units plus the three clubhouses.

**Action Required:** Board resolution

**Proposed Resolution:** The Board approves the purchase of Flood Insurance for the units and assets of the association as presented by agent Ryan DeShong for the amount of \$298,846, payable from Operating Expenses.

**X. HOMEOWNER FORUM**

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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.

**XI. NEXT MEETING:** Wednesday, January 4, 2017 at 5:30 pm in the Nepenthe clubhouse

**XII. ADJOURN**

## NEPENTHE ARCHITECTURAL COMMITTEE MINUTES

Monday, November 14, 2016 at 4:30 pm in Clubhouse

**Members present:** Alan Watters, acting chair; Jan Summers.

**Present:** Joan Haradon, Board Liaison; Steve Huffington, Board Vice-president; Karen Lowrey; Bettisi Ledesma, Community Manager; Steve Ernst for Luxem Design (for the Araos' application); Pamela and Richard Livingston; prospective Committee members Jenny Smith, Joel Weeden, Reed Marquardt, and Bill Henle.

**A.** Welcome and Opening Remarks. Introductions. Rather than explaining A.R.C. procedures business first, the acting chair chose to review and vote on new applications before prospective new members were introduced to committee procedures.

**B.1. Homeowner requests not voted on:** none.

**B.2. Homeowner Requests Recommended to be Approved.** (With conditions if so noted.)

1. **2325 Swarthmore Dirve** – Bena and Susan Arao – Replace windows in this 1720 Model: replace via retrofit installation all 8 windows and patio doors by contractor Luxem Design & Construction: replace 6 windows using Amerimax's vinyl-framed Craftsman Portrait Series sliding windows with exterior color to be manufacturer's "Bronze. The living room window and the second-story master bedroom window directly above it will remain unchanged, being horizontally divided  $\frac{1}{4}/\frac{1}{2}/\frac{1}{4}$ . Replace 2 patio doors using Amerimax's vinyl-framed New Horizons Series patio doors, with exterior color to be manufacturer's "Bronze." **Approval Recommended.**
2. **215 Elmhurst Circle** – Pamela Livingston – Windows replacement in this 5500 model, with Milgard Aluminum windows in "Bronze" color by contractor Bassett Building and Construction, of Elverta. Replacing two second-story bedroom windows in rear facade. Same windows product as was approved in February, 2014. **Approval Recommended.**
3. **2257 Swarthmore Drive** – Joan Haradon – Install a trellis (or patio cover) in this 2000 model: Construct a variation on Nepenthe's Large Trellis design, of 7'-0" x 7'-0" dimensions, to be freestanding, and positioned in the rear (N.E.) corner of the backyard fences. This



custom design varies from the standard attached trellis design in that it is not attached to any side wall of a structure via a ledger beam. The 2000 model is designed in such a way as to make attachment to the house via a ledger beam problematic; this design is a solution to that problem. **Approval Recommended.**

**B.2.A. Homeowner Requests Already Approved:**

1. **1127 Commons Drive** – Ken and Diane Luttrell – HVAC repair in this 1625 model: re-locate compressor closer to the house, and install approximately 10 ft. of new lineset and electrical connections along fence. Contractor is McDonald Plumbing. Emergency **Approval Granted on November 23, 2016.**

2. **106 Dunbarton Circle** – Suzanne P. Miller – HVAC replacement in this 5500A model: install new split system heat pump, with a Carrier 25HCC548 condenser and a Carrier FV4CNF005L00 air handler. The existing refrigerant line set will be reused. The contractor is All Year Heating Air Solar. Emergency **Approval Granted on November 29, 2016.**

**B.3. Homeowner Requests Not Approved:** none.

**C. Approval of Minutes:** done via email.

**D. Reviewed Non-Compliance Notices from Homeowners.** None.

**F. Old Business:** none.

**G. New Business:**

For the benefit of prospective committee members, discussion was held of the duties, practices, operations and recent work on homeowner applications by this Committee.

**H. Next meeting.** Monday, December 12, 2016, 4:30 P.M. in the Clubhouse.

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

Nepenthe Homeowners Association

**Finance Committee**

Minutes, November 28, 2016

**Members Present:**

Ken Butler, chairman; John Baker, member; Will Vizzard, board liaison; Bettzi Ledesma, HOA Manager.

The minutes of the October meeting show that the meeting was adjourned without any action.

**Discussion of October Financials**

It was noted that the flood insurance will be paid in December thereby reducing the apparent high balance in the operating budget.

**Investor Recommendations**

Member Susan Timmer (via e-mail) suggested that the committee review the recommendation of Wells Fargo regarding the 36 month investment in CDs. The committee agreed not to change the current investment plan.

**December Committee Meeting**

The committee agreed to cancel the meeting in December noting that it is scheduled for the day after Christmas.

**Future Meetings**

Options for future meeting were discussed. It was agreed that meetings will continue to be scheduled for the fourth Monday of each month. The chair will survey all committee members, the Board Liaison and the HOA Manager one week prior to the meeting to determine if there is any pressing business. If there is no pressing business and no requests for a meeting, the chair may cancel the meeting for the month except that the committee shall meet at least once in each calendar quarter beginning in January.

**Next Meeting**

The next in-person meeting of the committee will be held at 3:00 PM on January 23, at the Dunbarton Cabana.

Respectfully submitted,

Ken Butler

# NEPENTHE GROUNDS COMMITTEE MEETING

November 10, 2016 - Dunbarton Cabana

## Minutes

### Present

Pam Livingston, Committee Chair  
Linda Cook, Board Liaison  
Bettsi Ledesma, General Manager  
Marty Henderson, Irrigation  
George Procida, GP Landscape  
Secretary – Joan Barrett  
Zone 1 - Grace Long, Diana Luttrell  
Zone 2 - Elsa Morrison  
Zone 3 - Lyn Livingston  
Zone 5 - Pam Sechrist  
Zone 6 - Kathy Waugh, Diana Mortimore  
Zone 7 - Renee Mendez

### Not present

Zone 2 – Diana Vizzard  
Zone 3 – Liza Tafoya  
Zone 4 – Don Landsittel

The meeting was called to order at 3:03 PM by Chair Pam Livingston

### **IRRIGATION REPORT – Marty Henderson**

Marty Henderson said that the report was submitted to the board regarding the approval of \$25,000.00 in turf replacement funds from the City of Sacramento for 2016 and 2017. He reported that Phase 2 is on track and that there is an additional \$25,000.00 possible for this year due to poor residential response to the offer of funds to replace turf with ‘river friendly’ shrubs, bark and mulch. The available funds carry a stipulation that contiguous drip irrigation be in place. He requested that the Zone Stewards be aware of turf areas that could be replaced while they walk their zones. Narrow mow strips tied to drip systems would be a good candidate for conversion from turf which would then be measured for square footage to be submitted showing the required conditions for reimbursement.

It was noted that there are private patios that are tied into the Nepenthe water system. George will identify these locations and submit them to Bettsi to start the process of rectifying the illegal tie-in.

### **GROUNDS REPORT - George Procida – GP Landscaping**

George reported that the falling leaves are the current priority and that the crew will be working on this task five days a week through December. The warm temperatures are a factor in the lateness of the leaf color and drop. He said that the irrigation system is turned off everywhere and will continue in this mode unless there is no rainfall, in which case the system will be turned on again. Currently Juan and Jay are preparing to fertilize turf areas that could go through Thanksgiving week. There is no mowing scheduled, just leaf clean up.

Kathy Waugh mentioned that there have been more complaints about the use of blowers and George responded that the crew switched to a push vacuum in alleyways but the heavy leaf debris required going back to blowers in the pathways. She also asked about the small cedar cones that are currently blown into the planters and George said that he will take care of the problem.

Renee asked if there was a time when renovation will be complete and George said depending on the weather, possibly June 2017.

Pam Sechrist acknowledged the excellence of the crew and their hard work.

### **GENERAL MANAGER'S REPORT - Bettsi Ledesma**

Bettsi reported that the islands of Zones 3, 4, 5, 6 and Adelphi have been converted to earth friendler ground cover.

Randy Ross, the roof cleaners, is on the property and will be working on the houses closest to the heavy evergreen stands.

Lyn noted that the berm on Howe Avenue looks cleaned up. George responded that the crew is scheduled to be there again tomorrow but they have been instructed to avoid the dangerous roadway in clearing the area of debris.

### **REQUEST FOR BOARD ACTION**

**Motion - made by Lyn Livingston and Seconded by Kathy Waugh - The Grounds Committee requests the Board accept the following recommendations by Paul Dubois, Arborist, with The Grove Total Tree Care - vote unanimous**

November 1, 2016

On October 24, 2016, I inspected several trees on the Nepenthe property during the monthly tree walk. The focus of the walk was to address resident/management concerns regarding mature trees on the property. The purpose of this report is to develop mitigation plans for the following trees and my recommendations are below.

- Tree # 890 Birch (*Betula pendula*) next to 1329 Commons. Tree has signs of internal decay in trunk (Figure 1). Tree has signs of fungal growth at base (Figure 2). Recommend removal and replacement.
- Tree #887 Interior Live Oak (*Quercus wislizeni*) next to Swarthmore. Tree seems healthy for age. The Tree has an old cable system (Figure 3). The tree has not been pruned in several years the cable looks to be old. Without proper maintenance the cable system becomes ineffective. Possible dieback on one stem caused by cable anchor. My recommendation is to check cable system and prune for selective weight reduction on heavy areas of the canopy over the building.
- Tree #895 Interior Live Oak (*Quercus wislizeni*) 1329 Commons. Tree seems healthy for age. The Tree has an old cable system (Figure 4). The tree has not been pruned in several years the cable looks to be old and the tree grew around cable system causing a girdle effect (Figure 5). Without proper maintenance the cable system becomes ineffective. The Cable system used is high tension braided rope and should be replaced. My recommendation is to check cable system and replace, and to prune for selective weight reduction on heavy areas of the canopy.

- Tree #1035 Ash (*Fraxinus pennsylvanica*) next to Dunbarton. Tree appears healthy, heavy canopy. Tree does have old cuts on major roots possible root decay (Figure 6). My recommendation is to retain and monitor tree health. Prune for deadwood and weight reduction
- Tree #738 Redwood (*Sequoia sempervirens*) next Dunbarton. Tree has large dead top (Figure 7) and some deadwood in canopy. However appears to be healthy. My recommendation is to prune out the deadwood, and retain and monitor tree.
- Tree's #2022& 2024 Tulip tree (*Liriodendron tulipifera*) at 1473 University. Trees appear healthy, normal leaf drop for fall. Resident concerned about sticky leaves may have been from aphids. Recommend trees for pruning to clean out dead wood, water sprouts and some selective weight reduction. Monitor trees in spring for aphids.
- Tree #2082 Tulip tree (*Liriodendron tulipifera*) at 1473 University. Tree has heavy over weighted limbs (Figure 8). Some fungal activity at base. Large overextended limb over the building. (Figure 9). My recommendation is to remove overextended limb and to prune tree for weight reduction and to retain tree.
- Structural pruning and stake removal on the following trees: Japanese maple at 1131 Commons, Silver Maple#1003 at 703 Dunbarton, Pistashe #737 at 813 Dunbarton, Redbud#588 at 1276 Vanderbilt, Crepe Myrtle #989 at 615 Dunbarton

The meeting was adjourned at 3:49PM

**Next HOA Board Meeting, Wednesday, December 7th - 5:30PM Clubhouse**

**Next Grounds Committee Meeting, December 8<sup>th</sup> - 3:00PM- Dunbarton Cabana**

Nepenthe Outreach-Social Committee Meeting  
November 16, 2016 5:00PM  
Nepenthe Clubhouse

*In attendance:*

Gerry Gelfand, Chair  
MJ Lindgren  
Joan Barrett

Bettsi Ledesma, General Manager  
Bill Olmsted  
Guest: Charles Schaffer

*Committee Members not in attendance:*

Ken Gromacki  
Kathleen Montgomery  
Valerie Weinberg

Connie Henderson  
Paige Tiffany

The meeting was called to order at 5:10PM by Gerry Gelfand, chair.

Old Business

**Christmas Holiday Party**

Gerry said that the Board had approved our requisition for the funds to host the resident's party on December 9th.

MJ reported that her research indicated that catering would charge \$12.95 per person and she felt that a better spread could be provided for the Nepenthe guests through self-catering and is prepared to undertake that project with an estimated cost of \$300.00 for food items. She proposes meatballs with 3 sauces, marinara, peanut and sweet and sour; vegetable and dip tray; molded shrimp mousse with pita and crackers; goat cheese log with cranberry glaze, served from several stations around the room. Bettsi will arrange for the non-alcoholic punch for the party.

Gerry proposed a party to move furniture, prep the vegetables and trays the day before the party, December 8th. All agreed to help with this project.

MJ will inventory the wine on hand as well as the platters and serving utensils required.

There will be two giving trees at the event- one for Michael Wright's Luther Burbank HS urban garden project for equipment and one for New Move, a project to provide cheer for seniors. These will be announced in the newsletter so that donors can have some notice of the trees and their purpose.

**Santa Visit**

Linda Cook has arranged for Santa to visit the Saturday morning coffee on December 17th. There will be a craft station, photos with Santa, a cookie decorating station and hot chocolate. The committee is in place, the Outreach-Social Committee is to provide back up if required.

## **HOA Website**

Bettsi said that she and Ivan have received a proposal from a web designer and are waiting for another bid. This has been put on hold due to Ivan's unexpected hospital stay.

## **Stakeholder Orientation (reiterated minutes item)**

The Stakeholder Orientation is scheduled for January 21, 2017. Bettsi prepared a guideline for topics to be included in the presentation. Currently, plans are to have the attendees listen to a 10 minute orientation by each presenter and afterward, if desired, interested parties could revisit the presenters for more in-depth discussion.

Bill will contact folks for the Insurance and Safety topics.

Bettsi will make arrangements for representatives for Management Services and Architectural Integrity and Finance Committees

Gerry will arrange for speakers for Outreach and City Services

Ivan will ready information for the Homeowners Association topic

Joan will get a representative from the Grounds Committee to speak

The meeting was adjourned at 6:17PM

Joan Barrett

**Next HOA Board Meeting - Wednesday, December 7th- 5:30PM Clubhouse**

**Next Outreach-Social Committee Meeting- Wednesday, December 21st-5PM- Clubhouse**

December Master Calendar

12/7	Board Meetings: Closed 3:30 PM, Open 5:30 PM	
12/8	Grounds Committee meeting 3:00 PM	
12/9	Nepenthe News published	
12/10	ARC meeting 9:00 AM	
12/21	Outreach committee meeting 6:00 PM	
12/23	Office closed for Christmas	
12/24	Office closed for Christmas	
12/25	Office closed for Christmas	
12/26	Office closed for Christmas	
12/27	Committee minutes due to management office	
12/27	Lock in agendas for Board meetings: 1) Board Goals for 2017	
12/27	Finance Committee meeting 3:00 PM	
12/29	Manager posts agenda and distributes Board packets	
12/30	Closed for New Year's Eve	



# Nepenthe Association

Management Report – December 7, 2016

## 1 COMMUNICATION

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The Nepenthe News was last published on November 03, 2016. The next newsletter will be published on December 9, 2016. Topics to be covered are:

- Holiday Party
- Trash Being Left on Street
- President Gennis' passing- vacancy on Board of Directors
- Holiday Decoration Policy
- Election Timeline

Website:

- Website Architectural Review Committee page has been updated.

## 2 ADMINISTRATION

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The 2017 Master Calendar has been prepared and is ready for distribution to the Directors.

Flood Insurance has

## 3 FACILITIES

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The following are status updates on various facilities projects:

- Phase III Siding and Painting continues on schedule.
- Bids have been obtained for concrete bench pads for the bench at the Vanderbilt greenbelt and the one near 500 Dunbarton.
- A scope of work for roof inspections is being prepared. The request for proposal is expected to be ready for distribution in early January.
- Roof and gutter cleanings are in process and going well with good coordination with the landscaper for the leaf clean up.
- Randy Ross Services is also preparing a bid for roof moss treatment for review at the next Board meeting.
- The pools were serviced on schedule. Service occurs three to five days each week and includes all pools and spas.
- The janitorial service performed all regular scheduled cleanings which include cleaning the clubhouse, the Dunbarton cabana restrooms and sauna and the Elmhurst cabana service restroom five days per week.

## 4 GROUNDS

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Since the last Board meeting on November 2, 2016 management has conducted landscape walks on the following dates:

- 11/4/16, Zone 1, Attended by Bettsi Ledesma, General Manager; George Procida, GP Landscape; Diane Luttrell and Grace Long, Zone Stewards; and Pam Livingston, Grounds Chair. \$2,982.75 authorized in extra work.
- 11/11/16, Zone 2, Bettsi Ledesma, General Manager; George Procida, GP Landscape; Elsa Morrison and Diana Vizzard, Zone Stewards; and Pam Livingston, Grounds Chair. \$6,188.75 authorized in extra work.
- 11/18/16, Zone 3, Attended by Bettsi Ledesma, General Manager; George Procida, GP Landscape; Liza Tafoya and Stephen Harris, Zone Stewards; and Pam Livingston, Grounds Chair.
- 11/28/16-No Walk.

The walk notes showing photographs of all extra work are filed in a binder in my office- Board members and homeowners interested in reviewing the walk notes are always welcome to do so.

### **Approved Tree Maintenance:**

At the November 2, 2016 Board meeting the following trees work was authorized:

- Zelcova Trees #685,686,690 at 1113 Dunbarton: Clean and thin canopy and weight reduction pruning.
- Pear #1512 at 1119 Vanderbilt: Weight reduction pruning.
- Birch # 1523 at 1113 Vanderbilt: Safari Drench For beetle.
- Birch #1032 at 801 Dunbarton: Remove & Stump Grind.
- Birch #1577 at 1213 Vanderbilt: Remove & Stump Grind.
- Birch #525 at 2246 Swarthmore: Remove & Stump Grind.
- Redwoods #2061-2067 Deep Root Watering (Starting in June 2017).

This work is almost complete.

The Board will be reviewing Paul Dubois's 11/1/2016 report and recommendations at the December 7th meeting. He is recommending the following tree work:

- Birch 890 at 1329 Commons, Remove & Stump Grind, \$480.00
- Interior Live Oak #887 at corner of 2312 Swarthmore, Inspect Cable System, Weight Reduction Pruning, \$720.00
- Interior Live Oak #895 at 1329 Commons, Remove Cable System, \$130.00
- Ash #1035 at 813 Dunbarton, Remove Deadwood and Over weighted Portions, \$360.00
- Redwood #738 at 903 Dunbarton, Remove Dead Top, \$360.00
- Tulips 2022, 2024 and 2082 at 1473 University, Weight Reduction and Removal of Deadwood, \$2,160.
- Structural pruning and stake removal on the following trees: Japanese Maple at 1131 Commons, Silver Maple #1003 at 703 Dunbarton, Pistache #737 at 813 Dunbarton, Redbud #588 at 1276 Vanderbilt, Crepe Myrtle #989 at 615 Dunbarton, \$480.00

Management, Grounds Steward Elsa Morrison and arborist Paul Dubois will continue the monthly practice of tree walks in the community. Owners with tree concerns are welcome to forward them to the office for inclusion on the walk list. The most recent walk was November 29th and the next is planned for December 27th.

## 5 FINANCIAL

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The September Financials were published October 31, 2016. There is a current positive variance of \$284,592.94. This will continue to accumulate until it is time to purchase next year's flood policy at the end of the year.

## 6 GOVERNANCE

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- **Courtesy Patrol:** Since the last Board meeting, there were a total of 24 violation notices placed on vehicles in the community by the security patrol. There were 2 vehicle towed during this time. Reports are reviewed by management daily, recapping the rounds and interactions of the officers on duty.
- **Violations:** Since the last Board meeting, management sent 12 compliance notices, 6 regarding landscape-trim trees in patio, 2 for architectural modification not within guidelines, 1 satellite dish not within guidelines, 1 nuisance-noise, 1 unsightly item, and 1 unauthorized object.

## Bettsi Ledesma

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**From:** JR M <JRM0825@hotmail.com>  
**Sent:** Tuesday, November 15, 2016 4:28 PM  
**To:** Bettsi Ledesma  
**Subject:** A note of appreciation

Hello,

Please forward my thank you to the Nepenthe Board for helping to raise awareness of our communities' safety and security concerns. I appreciate the note in the monthly newsletter included in Ivan's column and also the article - How a Burglar Operates.

Regarding President Gennis' call for volunteers, I'm available to work with a group on re-activating a Neighborhood Watch group.

Thank you,  
*Renee Mendez*  
916.240.0192

**NEPENTHE ASSOCIATION  
BOARD OF DIRECTORS MEETING  
November 02, 2016, 5:30 PM**

Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

<b>OPEN SESSION MINUTES</b>
-----------------------------

**I. CALL TO ORDER 5:36pm**

Present	Board Member	Positon
X	Ivan Gennis	President
X	Steve Huffman	Vice President
X	Linda Cook	Secretary
	Will Vizzard	Treasurer
X	Joan Haradon	Member at Large

**II. ANNOUNCEMENTS**

- a. Executive Session Disclosure: Disclosure** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on August 3, 2016 in order to consider matters relating to personnel, member discipline, legal matters and the formation of third-party contracts.

**Items of discussion include:**

- Homeowner Hearing
- Non-compliant satellite and cable installations
- Contract Negotiations

**III. COMMITTEE REPORTS**

- a. Ad Hoc Committee on University Ave. Lots-** No report given.
- b. Architectural Review Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- c. Finance Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- d. Grounds Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- e. Insurance, Legal and Safety Committee-** Verbal report provided at meeting.
- f. Outreach Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
  - i.** Director Linda Cook Motioned to approve a \$1,000 budget for the Nepenthe Holiday Party. The motion was seconded by Director Joan Haradon and the motion passed unanimously.

**IV. MANAGEMENT REPORTS**

- a. Operations Report-**
  - i.** Phase III Siding and Painting continues on schedule.

- ii. At the October 05, 2016 Board meeting the following trees work was authorized:
- Live Oak #875 at 2322 Swarthmore: prune out dead wood, pull ivy away from base of tree, provide deep root feed to invigorate root system and monitor.
  - Red Bud #954 at 2324 Swarthmore: Remove and replace.
  - Tulip Tree # 2084 next to 1581 University: Remove and replace.
  - Ponderosa Pine #1289 at 1004 Dunbarton: Removal and replacement
  - Red Maple #1123 at 1110 Dunbarton: Removal and replacement.
  - White Birch Tree #1602 at 1245 Vanderbilt: Removal and replacement.
  - Deodar cedar #1353 at 711 Elmhurst: prune 3-4 limbs away from the roof to eliminate turkey roosting area
  - Locust Tree#1996 at 700 Elmhurst: Weight reduction pruning.
  - Chinese Elm Tree #1960 at 306 Elmhurst: Weight reduction pruning.
  - Crabapples at 118 Dunbarton. Trees are growing into new planted Zelkova and should be trimmed back to allow the Zelkova canopy development.
  - Crabapple #1315 at 903 Elmhurst. Remove and Replace
  - Aleppo Pine Tree #1418 at 603 Elmhurst. Weight reduction pruning to help minimize possible limb failure.
- This work is almost complete.

- iii. The Board will be reviewing Paul Dubois's 09/27/2016 report and recommendations at the November 2nd meeting. He is recommending the following tree work:
- Zelcova Trees #685,686,690 at 1113 Dunbarton: Clean and thin canopy and weight reduction pruning.
  - Pear #1512 at 1119 Vanderbilt: Weight reduction pruning.
  - Birch # 1523 at 1113 Vanderbilt: Safari Drench For beetle.
  - Birch #1032 at 801 Dunbarton: Remove & Stump Grind.
  - Birch #1577 at 1213 Vanderbilt: Remove & Stump Grind.
  - Birch #525 at 2246 Swarthmore: Remove & Stump Grind.
  - Redwoods #2061-2067 Deep Root Watering (Starting in June 2017).
- iv. Since the last Board meeting, there were a total of 30 violation notices placed on vehicles in the community by the security patrol. There was 2 vehicle towed during this time. Reports are reviewed by management daily, recapping the rounds and interactions of the officers on duty.
- v. Since the last Board meeting, management sent 2 compliance notices, 1 regarding trash not put away and 1 for improperly parking.
- b. Master Calendar Report-** Manager Bettsi Ledesma reviewed the calendar with the Board.

**V. HOMEOWNER CORRESPONDENCE-** Board reviewed correspondence received.

**VI. HOMEOWNER FORUM-** Comments were received on a number of topics. Management made notes of the comments for possible future Board action.

**VII. CONSENT CALENDAR**

**Motion:** Director Steve Huffman

**Second:** Director Linda Cook

**Vote:** All in Favor

**Resolution:** The Board approved Consent Calendar items A to E as presented.

*Begin Consent Calendar*

**a. Approval of Minutes October 05, 2016 Open Session**

Resolution: The Open Session minutes dated October 05, 2016 were approved as presented.

**b. Financial Statement: September 2016**

Resolution: The Board accepted the September 2016 interim financial reports and bank reconciliations as presented, subject to annual review. The report reflects a positive year to date variance of \$264,761.27 and reserve funding of \$1,500,282.13 compared to the reserve funding budget of \$1,473,894. The reserves are funded through August 2016. The Association has \$531,920.63 in operating funds, which represents 1.96 months of budgeted expenses and reserve contributions. The Association has \$5,578,800.68 in reserve funds.

**c. Appoint Committee Member**

Homeowner Marilyn Livingston has submitted her 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 Marilyn Livingston, a member in good standing to the Grounds Committee.

**d. Lien Resolution**

Per the enclosed Resolution dated October 13, 2016, 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
2501-01	\$914.00

**e. Architectural Applications**

The Architectural Review Committee met on October 10, 2016 to review the enclosed applications.

Resolution: The Board confirmed the decisions of the committee.

Address	Application for	Decision
809 Dunbarton Circle	Window Replacement	Approved
1111 Dunbarton Circle	HVAC Replacement	Approved

700 Elmhurst Circle	Window Replacement	Approved
709 Elmhurst Circle	Installation of Front Storm Door	Approved
2248 Swarthmore Drive	Window Replacement	Approved
1207 Vanderbilt Way	Window Replacement	Approved
811 Dunbarton Circle	HVAC Replacement	Approved
13 Colby Court	HVAC Replacement	Approved

*End Consent Calendar*

**VIII. UNFINISHED BUSINESS - None**

**IX. NEW BUSINESS**

**a. Proposals for Tree Work**

The Board will reviewed arborist Paul Dubois’s 09/27/2016 report and recommendations at the November 2nd meeting. Zelcova Trees #685,686,690 at 1113 Dunbarton: Clean and thin canopy and weight reduction pruning.

- Pear #1512 at 1119 Vanderbilt: Weight reduction pruning.
- Birch # 1523 at 1113 Vanderbilt: Safari Drench For beetle.
- Birch #1032 at 801 Dunbarton: Remove & Stump Grind.
- Birch #1577 at 1213 Vanderbilt: Remove & Stump Grind.
- Birch #525 at 2246 Swarthmore: Remove & Stump Grind.
- Redwoods #2061-2067, Deep Root Watering (Starting in June 2017).

**Resolution:** The Board approved the removals and specific tree pruning as proposed by Grove Total Tree Care for the amount of \$4,330, payable from Reserves which has a remaining 2016 allocation for tree work of \$63,004 +/-.

**Motion:** Director Joan Haradon

**Second:** Director Steve Huffman

**Vote:** All in Favor

**X. HOMEOWNER FORUM-** There were no comments from the Homeowners

**XI. NEXT MEETING:** Wednesday, December 7, 2016 at 5:30 pm in the Nepenthe clubhouse

**XII. ADJOURN @ 6: 02pm**



# NEPENTHE ASSOCIATION

## CASH BASIS FINANCIAL STATEMENTS

FOR THE MONTH AND TEN MONTH(S) ENDED  
OCTOBER 31, 2016

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

PREPARED BY:



**NEPENTHE ASSOCIATION**

**FINANCIAL SUMMARY**

**Fiscal Year End: December 31, 2016**

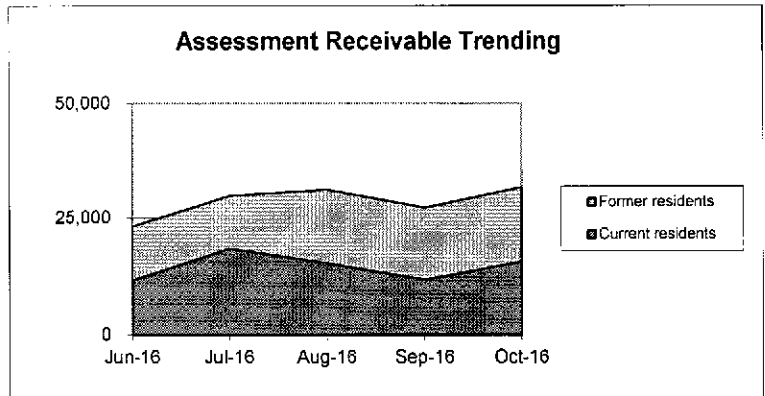
**For the Month Ended: October 31, 2016**

**CASH SUMMARY**

	<u>This month</u>	<u>Last Month</u>	<u>Change in Cash</u>	
Operating cash	552,364.95	532,070.63	Increase in Cash	20,294.32
Reserve Cash General Reserve	5,556,919.38	5,578,800.68	Decrease in Cash	(21,881.30)
Adj Operating Cash (see note 1)	473,031.03	445,007.24	Increase in Cash	28,023.79
Average budgeted expenses / month		271,629.00		
Average # of months of available cash		2.03		
Percent Funded Per 2015 Reserve Study		32%		

**ASSESSMENT SUMMARY**

Monthly Assessment Budget	269,629.00
Assessment Cash Received	257,373.72
<u>Total Assessments Receivable</u>	
0-30 days (see note 1)	0.00
31-60 days late	10,354.74
61-90 days late	3,188.47
over 90 days late	18,179.90
Total Assessments Due	31,723.11
<u>Other Receivable</u>	8,151.20
Total Owners Receivable	39,874.31
Past Residents Assessments Rec.	16,193.21
Prepaid Assessments	79,333.92



**OPERATING SUMMARY**

Category	October Expenses	YTD Expenses	YTD Budget	YTD Variance	Negative YTD Variances >\$2500
Utilities	8,842	82,557	84,130	1,573	
Landscape	27,003	271,407	280,800	9,393	
Common Area	4,960	62,673	109,320	46,647	rpr & maint, janitorial extra
Management/On-Site Admin	28,218	301,719	304,460	2,741	federal tax, general counsel
Insurance	7,797	75,681	299,920	224,239	insurance
<b>Total Operating Expenses</b>	<b>76,819</b>	<b>794,037</b>	<b>1,078,630</b>	<b>284,593</b>	Spending underbudget year-to-date

**RESERVE SUMMARY**

Contribution to Reserves this month:	163,766.00	Rsv Disbursement this month:	187,820.80
Contribution to Rsvs Year-to-Date:	1,637,660.00	Rsv Disbursement YTD:	1,044,353.34
Interest on reserve funds Year-to-Date:	28,561.63		

**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**

<b>Sources/Uses</b>		<b>Operations</b>	<b>Reserves</b>
<b>Beginning Balance 1/01/2016</b>		<b>267,381</b>	<b>4,935,051</b>
	Prior year Due from Management	91	
	Prior year Due from Vendor	29	
<b>Plus</b>	Income	2,716,561.10	
	Reserve Investment Income		28,561.63
	Contributions to Reserves		1,637,660.00
	Pending Reserve Expense	0.00	
	Due From Vendor	0.00	
	Receivable from Mgmt	0.00	
	Processing Fees	0.00	
<b>Less</b>	Operating Expenses	(794,037.06)	
	Reserve Funding	(1,637,660.00)	
	Reserve Expenses		(1,044,353.34)
<b>Ending Balance 10/31</b>		<b>552,365</b>	<b>5,556,919</b>

**Budget Report**

Actual year-to-date income of \$2,716,561.10 versus year-to-date budgeted income of \$2,716,290 produced a positive year-to-date income variance of \$271.10.

Actual year-to-date operating expenses of \$794,037.06 versus year-to-date budgeted expenses of \$1,078,630 produced a positive year-to-date operating expenses variance of \$284,592.94.

The two combined variances produced a positive year-to-date variance of \$284,864.04.

**Other Information**

Unpaid assessments at Oct 31, 2016 were:	\$	31,723
Prepaid assessments at Oct 31, 2016 were:	\$	79,334

NEPENTHE ASSOCIATION  
COMPARATIVE BALANCE SHEET  
10/31/2016

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
<hr/>		
----- CASH AND INVESTMENTS		
OPERATING ACCOUNT FUNDS	551,211.27	531,920.63
PETTY CASH	150.00	150.00
RESERVE ACCOUNT FUNDS	5,556,919.38	5,578,800.68
	-----	-----
TOTAL CASH AND INVESTMENTS	6,108,280.65	6,110,871.31
OTHER ASSETS		
RECEIVABLE FROM MANAGEMENT	0.00	191.55
	-----	-----
TOTAL OTHER ASSETS	0.00	191.55
TOTAL ASSETS	6,108,280.65	6,111,062.86
	=====	=====
LIABILITIES		
-----		
MEMBERS EQUITY		
-----		
GENERAL RESERVE FUND BALANCE	5,556,919.38	5,578,800.68
OPERATING FUND BALANCE-BEG OF YEAR	267,500.91	267,500.91
CURRENT YEAR INCOME/(LOSS)	283,860.36	264,761.27
	-----	-----
TOTAL LIABILITIES & MEMBERS EQUITY	6,108,280.65	6,111,062.86
	=====	=====

Entity: NEP NEPENTHE ASSOCIATION

FirstService Residential CA  
 15241 Laguna Canyon Road  
 Irvine, CA 92618

As of date: 10/31/2016

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		396,130.51
11112	OPERATING INVESTMENT	UNION+ UNION BANK	MNYMKT 1880024236	0.20%	155,080.76
Total (Cash)					551,361.27
21110	RESERVE FUNDS IN OPERATING CHECKING	USBANK US BANK	CHKING 153495833060		147,624.33
21132	RESERVE INVESTMENT	UBS UBS FINANCIAL SERVIC	INVSMT ID 46433 M1		200,580.83
21138	RESERVE INVESTMENT	WELLS WELLS FARGO	INVSMT 66896148		4,903,814.56
21139	RESERVE INVESTMENT	WELLS WELLS FARGO	MNYMKT 66896148		304,899.66
Total (Reserves)					5,556,919.38
Grand Total					6,108,280.65

NEPENTHE ASSOCIATION  
RESERVE FUND BALANCES SUPPORT SCHEDULES  
10/31/2016

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
<b>GENERAL RESERVES</b>						
PR23150 PRIVATE STS & DRIVES RESERVE	104,247.88	(104,247.88)	0.00	0.00	0.00	0.00
PR23151 SEAL COAT RESERVE	18,005.17	(18,005.17)	0.00	0.00	0.00	0.00
N23277 ROOF INSPECTIONS & REPAIR	37,312.14	(37,312.14)	0.00	0.00	(74.78)	(74.78)
N23282 TREE REMOVAL/ANNUAL MAINTENANCE	129,243.35	(75,756.04)	89,700.00	(39,580.00)	(86,769.75)	16,837.56
N23169 SIDING REPAIR RSV	124,493.41	(124,493.41)	0.00	0.00	0.00	0.00
N23127 FENCING RESERVE	19,882.20	(19,882.20)	0.00	0.00	0.00	0.00
N22991 POLE LIGHT REPAIRS RSV	(8,281.05)	8,281.05	0.00	0.00	0.00	0.00
N23134 IRRIGATION RETROFIT ZONE 3	248,778.65	(248,778.65)	0.00	0.00	0.00	0.00
N22911 UNDERGROUND UTILITY REPR RSV	(8,078.61)	8,078.61	0.00	(2,200.00)	(18,625.00)	(20,825.00)
N22851 DUNBARTON INTERIOR RENOVATION	1,049.19	(1,049.19)	0.00	0.00	0.00	0.00
N22852 DUNBARTON CABANA EXTERIOR RENOVAT	3,447.08	(3,447.08)	0.00	0.00	0.00	0.00
N23017 CLUBHOUSE INTERIOR RENOVATION	71,524.92	(15,067.02)	31,800.00	0.00	(1,778.67)	86,479.23
N23018 CLUBHOUSE REMODEL EXTERIOR RENOVA	11,138.41	(11,138.41)	0.00	0.00	0.00	0.00
N23019 ELMHURST CABANA INTERIOR RENOVATI	30,940.53	(30,940.53)	0.00	0.00	0.00	0.00
N23020 ELMHURST CABANA EXTERIOR RENOVATI	5,124.21	(5,124.21)	0.00	0.00	0.00	0.00
N23014 CONCRETE RESERVE	11,611.43	(11,611.43)	0.00	0.00	0.00	0.00
N23001 TOUCH UP PAINT RSV	(1,683.68)	1,683.68	0.00	0.00	0.00	0.00
N23106 STREET&DRIVE INTEREST	10.76	(10.76)	0.00	0.00	0.00	0.00
N23129 BRIDGE MAINTENANCE	90.50	(90.50)	0.00	0.00	0.00	0.00
N23130 MISCELLANEOUS RSV	3,368.85	34,568.31	14,150.00	(512.46)	(5,325.04)	46,249.66
N23138 RESERVE UPDATE RSV	420.48	(420.48)	0.00	0.00	0.00	0.00
N23140 IRRIGATION RETROFIT ZONE 6	111,325.08	(111,325.08)	0.00	0.00	0.00	0.00
N23141 ONGOING IRRIGATION REPAIRS	(158.15)	158.15	0.00	0.00	0.00	0.00
23103 INTEREST ON RESERVE FUNDING	9,664.38	(9,664.38)	28,561.63	0.00	0.00	28,561.63
23017 CLUBHOUSE REMODEL RESERVES	(2,165.86)	2,165.86	0.00	0.00	0.00	0.00
23133 IRRIGATION RESERVES	(7,758.57)	7,758.57	0.00	0.00	0.00	0.00
22930 PARK RESERVE	(9,961.60)	9,961.60	0.00	0.00	0.00	0.00
N23270 UNIT EXTERIOR RESERVE	3,612,424.37	494,032.80	1,186,480.00	(80,497.24)	(385,931.87)	4,826,508.06
N23271 MAIN CLUBHOUSE AREA RSV	122,488.45	(9,882.89)	47,900.00	(38,217.13)	(12,227.88)	110,060.55
N23272 DUNBARTON CABANA AREA RSV	29,820.30	(29,820.30)	0.00	0.00	0.00	0.00
N23273 ELMHURST CABANA AREA RSV	60,690.20	(60,690.20)	0.00	0.00	0.00	0.00
N23275 GROUNDS RESERVE	192,545.13	374,671.85	266,250.00	(26,213.97)	(345,799.55)	461,453.46
22936 GARDEN RESERVE	(1,383.50)	1,383.50	0.00	0.00	0.00	0.00
N23274 COMMONS TENNIS COURT RSV	16,778.28	(16,778.28)	0.00	0.00	0.00	0.00
N23276 ADMINISTRATIVE RESERVE	(1,903.24)	2,792.25	1,380.00	(600.00)	0.00	1,669.01
<b>TOTAL GENERAL RESERVES</b>	<b>4,935,051.09</b>	<b>0.00</b>	<b>1,666,221.63</b>	<b>(187,820.80)</b>	<b>(856,532.54)</b>	<b>5,556,919.38</b>

NEPENTHE ASSOCIATION  
INCOME STATEMENT  
10/31/2016

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

FirstService Residential CA  
15241 Laguna Canyon Road  
Irvine CA 92618

----- ACTUAL	---MONTH--- BUDGETED	----- VARIANCE	G/L NUMBER	DESCRIPTION	----- ACTUAL	YEAR TO DATE BUDGETED	----- VARIANCE	ANNUAL BUDGET	\$ REMAINING IN BUDGET
<b>REVENUE</b>									
257,373.72	269,629	(12,255.28)	14000	HOMEOWNER ASSESSMENT REVENUE	2,691,804.45	2,696,290	(4,485.55)	3,235,548	543,743.55
1,825.72	1,300	525.72	14087	EASEMENT AGREEMENT	16,787.81	13,000	3,787.81	15,600	(1,187.81)
387.39	0	387.39	14101	INTEREST ON PAST DUE ASSESSMENTS	1,374.71	0	1,374.71	0	(1,374.71)
15.00	0	15.00	14110	KEY REVENUE	675.00	0	675.00	0	(675.00)
1,060.00	700	360.00	14113	CLUBHOUSE RENTAL	5,535.00	7,000	(1,465.00)	8,400	2,865.00
0.00	0	0.00	14132	MISCELLANEOUS REVENUE	120.00	0	120.00	0	(120.00)
26.26	0	26.26	14162	OPERATING INTEREST REVENUE	258.13	0	258.13	0	(258.13)
2,173.50	0	2,173.50	14163	RESERVE INTEREST REVENUE	28,561.63	0	28,561.63	0	(28,561.63)
0.00	0	0.00	14372	PAST OWNERS REVENUE	6.00	0	6.00	0	(6.00)
<b>262,861.59</b>	<b>271,629</b>	<b>(8,767.41)</b>		<b>TOTAL REVENUE</b>	<b>2,745,122.73</b>	<b>2,716,290</b>	<b>28,832.73</b>	<b>3,259,548</b>	<b>514,425.27</b>
<b>RESERVE CONTRIBUTION</b>									
163,766.00	163,766	0.00	19758	GENERAL RESERVES	1,637,660.00	1,637,660	0.00	1,965,192	327,532.00
2,173.50	0	(2,173.50)	19803	GENERAL RESERVE INTEREST	28,561.63	0	(28,561.63)	0	(28,561.63)
<b>165,939.50</b>	<b>163,766</b>	<b>(2,173.50)</b>		<b>TOTAL RESERVE CONTRIBUTION</b>	<b>1,666,221.63</b>	<b>1,637,660</b>	<b>(28,561.63)</b>	<b>1,965,192</b>	<b>298,970.37</b>
<b>96,922.09</b>	<b>107,863</b>	<b>(10,940.91)</b>		<b>AVAILABLE OPERATING REVENUE</b>	<b>1,078,901.10</b>	<b>1,078,630</b>	<b>271.10</b>	<b>1,294,356</b>	<b>215,454.90</b>
<b>OPERATING EXPENSES</b>									
<b>UTILITIES</b>									
2,660.53	2,475	(185.53)	15101	ELECTRICITY	27,016.81	24,750	(2,266.81)	29,700	2,683.19
1,926.39	1,860	(66.39)	15102	GAS	12,597.15	18,600	6,002.85	22,320	9,722.85
286.23	248	(38.23)	15103	REFUSE COLLECTION	4,089.13	2,480	(1,609.13)	2,976	(1,113.13)
364.07	435	70.93	15105	TELEPHONE EXPENSE	4,548.86	4,350	(198.86)	5,220	671.14
4,608.71	3,395	(1,213.71)	15106	WATER	35,308.63	33,950	(1,358.63)	40,740	5,431.37
<b>9,845.93</b>	<b>8,413</b>	<b>(1,432.93)</b>		<b>TOTAL UTILITIES</b>	<b>83,560.58</b>	<b>84,130</b>	<b>569.42</b>	<b>100,956</b>	<b>17,395.42</b>
<b>LAND MAINTENANCE</b>									
26,823.00	26,823	0.00	15500	CONTRACT LANDSCAPE SERVICE	268,230.00	268,230	0.00	321,876	53,646.00
180.00	0	(180.00)	15504	TREE MAINTENANCE	390.00	0	(390.00)	0	(390.00)
0.00	590	590.00	15511	BACKFLOW DEVICE TEST	2,695.00	5,900	3,205.00	7,080	4,385.00
0.00	667	667.00	15597	COMMON AREA IMPROVEMENT	92.40	6,670	6,577.60	8,004	7,911.60
<b>27,003.00</b>	<b>28,080</b>	<b>1,077.00</b>		<b>TOTAL LAND MAINTENANCE</b>	<b>271,407.40</b>	<b>280,800</b>	<b>9,392.60</b>	<b>336,960</b>	<b>65,552.60</b>
<b>COMMON AREA</b>									
1,350.00	1,350	0.00	16020	CONTRACT POOL/SPA SERVICE	13,500.00	13,500	0.00	16,200	2,700.00
0.00	0	0.00	16022	POOL EQUIPMENT REPAIR	1,465.00	0	(1,465.00)	0	(1,465.00)
0.00	150	150.00	16027	POOL INSPECTION	2,178.07	1,500	(678.07)	1,800	(378.07)

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----- ACTUAL	---MONTH--- BUDGETED	----- VARIANCE	G/L NUMBER	DESCRIPTION	----- ACTUAL	YEAR TO DATE BUDGETED	----- VARIANCE	ANNUAL BUDGET	\$ REMAINING IN BUDGET
0.00	0	0.00	18510	ROOF MAINTENANCE	260.00	0	(260.00)	0	(260.00)
53.68	495	441.32	18524	MATERIAL SUPPLIES	3,010.25	4,950	1,939.75	5,940	2,929.75
0.00	190	190.00	18526	PEST CONTROL	350.00	1,900	1,550.00	2,280	1,930.00
1,525.00	1,525	0.00	18531	JANITORIAL SERVICE	13,968.00	15,250	1,282.00	18,300	4,332.00
343.09	220	(123.09)	18532	JANITORIAL SUPPLIES	1,633.16	2,200	566.84	2,640	1,006.84
0.00	20	20.00	18534	FIRE EXTINGUISHER	245.33	200	(45.33)	240	(5.33)
0.00	150	150.00	18544	LIGHT REPAIRS	195.00	1,500	1,305.00	1,800	1,605.00
0.00	300	300.00	18564	SPECIAL SECURITY	1,837.88	3,000	1,162.12	3,600	1,762.12
1,000.00	1,200	200.00	18579	PATROL SERVICE	11,000.00	12,000	1,000.00	14,400	3,400.00
289.00	4,900	4,611.00	18736	GUTTER & DOWNSPOUT CLEANING	1,300.00	49,000	47,700.00	58,800	57,500.00
308.91	200	(108.91)	18767	REPAIR & MAINTENANCE	6,030.31	2,000	(4,030.31)	2,400	(3,630.31)
90.08	200	109.92	18905	KITCHEN SUPPLIES	1,397.36	2,000	602.64	2,400	1,002.64
0.00	4	4.00	18957	JANITORIAL EXTRA	3,940.00	40	(3,900.00)	48	(3,892.00)
0.00	28	28.00	18986	FITNESS CONTRACT	362.65	280	(82.65)	336	(26.65)
<b>4,959.76</b>	<b>10,932</b>	<b>5,972.24</b>		<b>TOTAL COMMON AREA</b>	<b>62,673.01</b>	<b>109,320</b>	<b>46,646.99</b>	<b>131,184</b>	<b>68,510.99</b>
				<b>MANAGEMENT/ON-SITE ADMIN EXP</b>					
0.00	10	10.00	18001	COMMUNITY WEBSITE	(1,188.00)	100	1,288.00	120	1,308.00
(105.00)	100	205.00	18003	COMMUNITY EVENTS/PROGRAMS	(1,597.90)	1,000	2,597.90	1,200	2,797.90
0.00	100	100.00	18008	VOLUNTEER RECOGNITION	0.00	1,000	1,000.00	1,200	1,200.00
0.00	50	50.00	18092	EDUCATION/ADULT PROGRAM	767.00	500	(267.00)	600	(167.00)
6,818.39	6,800	(18.39)	19109	CONTRACT MANAGEMENT	68,183.90	68,000	(183.90)	81,600	13,416.10
0.00	162	162.00	19101	CPA SERVICES	1,890.00	1,620	(270.00)	1,944	54.00
0.00	100	100.00	19104	FEDERAL TAX EXPENSE	7,967.08	1,000	(6,967.08)	1,200	(6,767.08)
0.00	100	100.00	19105	FRANCHISE TAX BOARD	1,725.00	1,000	(725.00)	1,200	(525.00)
0.00	3	3.00	19106	TAXES & LICENSES	65.00	30	(35.00)	36	(29.00)
513.50	300	(213.50)	19108	GENERAL COUNSEL SERVICE	8,375.38	3,000	(5,375.38)	3,600	(4,775.38)
1,303.97	2,100	796.03	19111	MANAGEMENT REIMBURSABLE	14,636.87	21,000	6,363.13	25,200	10,563.13
0.00	5	5.00	19112	POSTAGE, ON-SITE	481.85	50	(431.85)	60	(421.85)
0.00	5	5.00	19116	ADMINISTRATIVE MISC	0.00	50	50.00	60	60.00
440.00	35	(405.00)	19117	DUES & PUBLICATIONS	923.95	350	(573.95)	420	(503.95)
35.00	35	0.00	19119	BANK FEES	350.00	350	0.00	420	70.00
12,629.86	14,250	1,620.14	19124	ON-SITE STAFF	133,272.42	142,500	9,227.58	171,000	37,727.58
(120.00)	79	199.00	19126	DELINQUENCY MONITORING	270.02	790	519.98	948	677.98
0.00	30	30.00	19132	OPERATING CONTINGENCY	643.07	300	(343.07)	360	(283.07)
0.00	1	1.00	19143	LEGAL-COLLECTIONS	988.05	10	(978.05)	12	(976.05)
0.00	4	4.00	19170	SPECIAL PROJECT MANAGEMENT	0.00	40	40.00	48	48.00
81.20	130	48.80	19172	ACCOUNTING REIMBURSABLES	1,040.25	1,300	259.75	1,560	519.75
(390.09)	100	490.09	19174	AMS COLLECTION EXPENSE	1,824.61	1,000	(824.61)	1,200	(624.61)
948.65	175	(773.65)	19178	PROPERTY TAX	1,426.04	1,750	323.96	2,100	673.96
0.00	10	10.00	19207	ANNUAL ELECTION EXPENSE	0.00	100	100.00	120	120.00
5,008.28	5,100	91.72	19247	PAYROLL TAXES & BENEFITS	52,905.34	51,000	(1,905.34)	61,200	8,294.66
0.00	5	5.00	19252	MILEAGE REIMBURSEMENT	0.00	50	50.00	60	60.00



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0.00	5	5.00	19281	WEBSITE MONTHLY FEE	1,307.40	50	(1,257.40)	60	(1,247.40)
151.84	150	(1.84)	19295	ON-SITE OFFICE SUPPLIES	1,182.81	1,500	317.19	1,800	617.19
0.00	100	100.00	19316	INTERNET EXPENSE	0.00	1,000	1,000.00	1,200	1,200.00
901.97	353	(548.97)	19382	COPIER LEASE	4,278.41	3,530	(748.41)	4,236	(42.41)
0.00	49	49.00	19442	CLAC CONTRIBUTION	0.00	490	490.00	588	588.00
<b>28,217.57</b>	<b>30,446</b>	<b>2,228.43</b>		<b>TOTAL MANAGEMENT/ON-SITE ADMIN E</b>	<b>301,718.55</b>	<b>304,460</b>	<b>2,741.45</b>	<b>365,352</b>	<b>63,633.45</b>
				<b>INSURANCE</b>					
7,796.74	7,982	185.26	19107	INSURANCE	95,931.20	79,820	(16,111.20)	95,784	(147.20)
0.00	22,010	22,010.00	DC19307	FLOOD INSURANCE	(20,250.00)	220,100	240,350.00	264,120	284,370.00
<b>7,796.74</b>	<b>29,992</b>	<b>22,195.26</b>		<b>TOTAL INSURANCE</b>	<b>75,681.20</b>	<b>299,920</b>	<b>224,238.80</b>	<b>359,904</b>	<b>284,222.80</b>
<b>77,823.00</b>	<b>107,863</b>	<b>30,040.00</b>		<b>TOTAL OPERATING EXPENSES</b>	<b>795,040.74</b>	<b>1,078,630</b>	<b>283,589.26</b>	<b>1,294,356</b>	<b>499,315.26</b>
19,099.09	0	19,099.09		NET INCOME/(LOSS)	283,860.36	0	283,860.36	0	(283,860.36)

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	
<b>REVENUE</b>														
14000	HOMEOWNER ASSESSMENT REVENUE	247266	274946	298425	245009	268857	281783	258370	280916	278859	257374	0	0	2691804
14087	EASEMENT AGREEMENT	1806	2530	1468	1456	1479	1461	1467	1458	1836	1826	0	0	16788
14101	INTEREST ON PAST DUE ASSESSMENTS	176	63	29	121	14	481	9	27	67	387	0	0	1375
14110	KEY REVENUE	20	105	20	0	80	200	105	90	40	15	0	0	675
14113	CLUBHOUSE RENTAL	830	280	1345	425	450	605	105	295	140	1060	0	0	5535
14132	MISCELLANEOUS REVENUE	0	0	0	0	120	0	0	0	0	0	0	0	120
14162	OPERATING INTEREST REVENUE	25	26	26	25	27	25	25	28	25	26	0	0	258
14163	RESERVE INTEREST REVENUE	1183	1211	3091	2290	1473	11382	1023	1403	3330	2174	0	0	28562
14372	PAST OWNERS REVENUE	0	0	0	0	0	6	0	0	0	0	0	0	6
	<b>TOTAL REVENUE</b>	<b>251306</b>	<b>279161</b>	<b>304404</b>	<b>249326</b>	<b>272501</b>	<b>295944</b>	<b>261104</b>	<b>284217</b>	<b>284297</b>	<b>262862</b>	<b>0</b>	<b>0</b>	<b>2745123</b>
<b>RESERVE CONTRIBUTION</b>														
19758	GENERAL RESERVES	163766	163766	163766	163766	163766	163766	163766	163766	163766	163766	0	0	1637660
19803	GENERAL RESERVE INTEREST	1183	1211	3091	2290	1473	11382	1023	1403	3330	2174	0	0	28562
	<b>TOTAL RESERVE CONTRIBUTION</b>	<b>164949</b>	<b>164977</b>	<b>166857</b>	<b>166056</b>	<b>165239</b>	<b>175148</b>	<b>164789</b>	<b>165169</b>	<b>167096</b>	<b>165940</b>	<b>0</b>	<b>0</b>	<b>1666222</b>
	<b>AVAILABLE OPERATING REVENUE</b>	<b>86357</b>	<b>114184</b>	<b>137547</b>	<b>83270</b>	<b>107262</b>	<b>120796</b>	<b>96315</b>	<b>119048</b>	<b>117202</b>	<b>96922</b>	<b>0</b>	<b>0</b>	<b>1078901</b>
<b>OPERATING EXPENSES</b>														
<b>UTILITIES</b>														
15101	ELECTRICITY	2903	3107	2354	2627	2579	2725	2562	0	5498	2661	0	0	27017
15102	GAS	1301	1008	876	1671	2010	1619	228	1168	790	1926	0	0	12597
15103	REFUSE COLLECTION	556	461	218	347	1588	9	181	168	273	286	0	0	4089
15105	TELEPHONE EXPENSE	797	529	390	525	-24	489	492	495	492	364	0	0	4549
15106	WATER	3103	3541	3148	4299	3348	4022	2554	3027	3658	4609	0	0	35309
	<b>TOTAL UTILITIES</b>	<b>8660</b>	<b>8646</b>	<b>6987</b>	<b>9470</b>	<b>9502</b>	<b>8864</b>	<b>6017</b>	<b>4858</b>	<b>10711</b>	<b>9846</b>	<b>0</b>	<b>0</b>	<b>83561</b>
<b>LAND MAINTENANCE</b>														
15500	CONTRACT LANDSCAPE SERVICE	26823	26823	26823	26823	26823	26823	26823	26823	26823	26823	0	0	268230
15504	TREE MAINTENANCE	0	0	0	0	0	210	0	0	0	180	0	0	390
15511	BACKFLOW DEVICE TEST	0	0	0	0	0	2695	0	0	0	0	0	0	2695
15597	COMMON AREA IMPROVEMENT	0	0	0	0	0	92	0	0	0	0	0	0	92
	<b>TOTAL LAND MAINTENANCE</b>	<b>26823</b>	<b>26823</b>	<b>26823</b>	<b>26823</b>	<b>26823</b>	<b>29820</b>	<b>26823</b>	<b>26823</b>	<b>26823</b>	<b>27003</b>	<b>0</b>	<b>0</b>	<b>271407</b>
<b>COMMON AREA</b>														
16020	CONTRACT POOL/SPA SERVICE	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	0	0	13500
16022	POOL EQUIPMENT REPAIR	0	0	0	0	0	0	1465	0	0	0	0	0	1465

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16027 POOL INSPECTION	0	0	0	490	0	0	159	1529	0	0	0	0	2178
18510 ROOF MAINTENANCE	0	0	260	0	0	0	0	0	0	0	0	0	260
18524 MATERIAL SUPPLIES	257	369	767	145	0	166	435	380	437	54	0	0	3010
18526 PEST CONTROL	0	0	0	0	0	0	350	0	0	0	0	0	350
18531 JANITORIAL SERVICE	0	1525	1525	1575	1525	1525	1670	1573	1525	1525	0	0	13968
18532 JANITORIAL SUPPLIES	0	0	388	0	296	84	298	0	224	343	0	0	1633
18534 FIRE EXTINGUISHER	0	0	0	0	0	0	0	0	245	0	0	0	245
18544 LIGHT REPAIRS	0	0	0	195	0	0	0	0	0	0	0	0	195
18564 SPECIAL SECURITY	198	0	207	0	1079	0	0	0	354	0	0	0	1838
18579 PATROL SERVICE	1000	3000	1000	1000	0	1000	1000	1000	1000	1000	0	0	11000
18736 GUTTER & DOWNSPOUT CLEANING	89	0	506	267	0	0	0	149	0	289	0	0	1300
18767 REPAIR & MAINTENANCE	224	73	599	407	1985	503	0	1249	681	309	0	0	6030
18905 KITCHEN SUPPLIES	81	184	123	180	168	145	149	103	173	90	0	0	1397
18957 JANITORIAL EXTRA	0	0	0	0	0	3800	0	0	140	0	0	0	3940
18986 FITNESS CONTRACT	0	0	85	0	0	193	0	0	85	0	0	0	363
<b>TOTAL COMMON AREA</b>	<b>3200</b>	<b>6501</b>	<b>6810</b>	<b>5609</b>	<b>6404</b>	<b>8766</b>	<b>6876</b>	<b>7332</b>	<b>6215</b>	<b>4960</b>	<b>0</b>	<b>0</b>	<b>62673</b>
<b>MANAGEMENT/ON-SITE ADMIN EXP</b>													
18001 COMMUNITY WEBSITE	0	0	0	0	0	0	0	0	-1188	0	0	0	-1188
18003 COMMUNITY EVENTS/PROGRAMS	0	0	410	40	166	42	10	111	-2271	-105	0	0	-1598
18092 EDUCATION/ADULT PROGRAM	31	69	265	27	0	32	-53	66	330	0	0	0	767
19109 CONTRACT MANAGEMENT	6818	6818	6818	6818	6818	6818	6818	6818	6818	6818	0	0	68184
19101 CPA SERVICES	0	0	1890	0	0	0	0	0	0	0	0	0	1890
19104 FEDERAL TAX EXPENSE	1335	0	0	1800	0	1800	1232	0	1800	0	0	0	7967
19105 FRANCHISE TAX BOARD	0	0	0	0	0	1725	0	0	0	0	0	0	1725
19106 TAXES & LICENSES	35	0	0	30	0	0	0	0	0	0	0	0	65
19108 GENERAL COUNSEL SERVICE	0	956	644	1398	1087	0	698	316	2763	514	0	0	8375
19111 MANAGEMENT REIMBURSABLE	250	1487	1013	1134	1136	5201	1090	1060	963	1304	0	0	14637
19112 POSTAGE, ON-SITE	30	63	10	0	139	113	31	0	96	0	0	0	482
19117 DUES & PUBLICATIONS	425	33	0	26	0	0	0	0	0	440	0	0	924
19119 BANK FEES	35	35	35	35	35	35	35	35	35	35	0	0	350
19124 ON-SITE STAFF	13207	12430	12644	12478	12879	19020	12662	12769	12553	12630	0	0	133272
19126 DELINQUENCY MONITORING	-252	96	172	73	202	-171	235	9	27	-120	0	0	270
19132 OPERATING CONTINGENCY	0	0	0	0	263	0	0	0	380	0	0	0	643
19143 LEGAL-COLLECTIONS	0	0	738	250	0	0	0	0	0	0	0	0	988
19172 ACCOUNTING REIMBURSABLES	0	417	183	106	49	78	27	53	47	81	0	0	1040
19174 AMS COLLECTION EXPENSE	329	477	510	685	65	-920	175	230	665	-390	0	0	1825
19178 PROPERTY TAX	195	0	0	0	0	0	282	0	0	949	0	0	1426
19247 PAYROLL TAXES & BENEFITS	4864	5672	5264	4964	5143	7463	5019	4521	4987	5008	0	0	52905
19281 WEBSITE MONTHLY FEE	0	0	0	0	0	1200	0	107	0	0	0	0	1307
19295 ON-SITE OFFICE SUPPLIES	204	0	158	213	67	59	131	123	76	152	0	0	1183
19382 COPIER LEASE	260	317	317	438	0	656	734	328	328	902	0	0	4278

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<b>TOTAL MANAGEMENT/ON-SITE ADMIN</b>	<b>27766</b>	<b>28869</b>	<b>31069</b>	<b>30515</b>	<b>28049</b>	<b>43151</b>	<b>29125</b>	<b>26547</b>	<b>28410</b>	<b>28218</b>	<b>0</b>	<b>0</b>	301719
<b>INSURANCE</b>													
19107 INSURANCE	7982	15964	7982	7982	8498	7982	7982	7982	15779	7797	0	0	95931
DC19307 FLOOD INSURANCE	-13500	-6525	-225	0	-173	0	0	173	0	0	0	0	-20250
<b>TOTAL INSURANCE</b>	<b>-5518</b>	<b>9439</b>	<b>7757</b>	<b>7982</b>	<b>8325</b>	<b>7982</b>	<b>7982</b>	<b>8155</b>	<b>15779</b>	<b>7797</b>	<b>0</b>	<b>0</b>	75681
<b>TOTAL OPERATING EXPENSES</b>	<b>60930</b>	<b>80279</b>	<b>79446</b>	<b>80400</b>	<b>79103</b>	<b>98583</b>	<b>76824</b>	<b>73716</b>	<b>87938</b>	<b>77823</b>	<b>0</b>	<b>0</b>	795041
<i>NET INCOME/(LOSS)</i>	<i>25427</i>	<i>33905</i>	<i>58101</i>	<i>2870</i>	<i>28159</i>	<i>22212</i>	<i>19491</i>	<i>45332</i>	<i>29264</i>	<i>19099</i>	<i>0</i>	<i>0</i>	283860

## NEPENTHE

November 18, 2016

**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 30 days prior to recording a lien; and

**WHEREAS**, the Association has sent this letter and the 30 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 30 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>
11/18/16	2356-01	\$2,691.43	\$2,156.00			
11/16/16	1957-01	\$948.62	\$914.00			
11/16/16	2112-04	\$953.86	\$903.47			
11/16/16	2378-02	\$957.81	\$914.00			

**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: \_\_\_\_\_

rec'd 11-8-2016  
-bf



Nepenthe Association, 1131 Commons Drive, Sacramento, CA 95825  
916.929.8380 / [nepenthe@fsresidential.com](mailto:nepenthe@fsresidential.com)

# HOME IMPROVEMENT APPLICATION

Date: NOV 8, 2016  
Name: Bena and ~~Karmi~~ Susan MAO  
Address: 2325 SWALTHMORE DRIVE

Phone: 916-213-2948  
Email: SKAZAO@gmail.com / BTARAO@gmail.com  
House Model: 1720

What improvement are you applying for? One improvement per application, please.

These items can be approved in management office:

These items require ARC/Board approval:

Front door	Air Conditioner/Heat Pump Replacement
Screen door from approved styles	<input checked="" type="checkbox"/> Window or Patio Slider Replacement
Garage man door	Creating New Window in a Wall
Garage vehicle door from approved styles	Window Security Features/Bars
Cable/Satellite installations	Window- Sun Screens
Mail Box	Skylights or Solar Tubes
Mail Slot, if replacing or approved by Postmaster	Solar Roof Panels (Thermal or Electric)
Chimney Cap	Gas Line and Meter
If you have an improvement not listed, describe it here:	Shade Structure- Trellis, Awnings, Sails, Etc.
	Trellis- Floral Support-Garden Feature
	Patio Hardscape / Planter Boxes
	Patio Pool or Spa and Equipment
	Attic Fans
	Vents - Installations and/or Relocations
	Security Camera and/or Lighting
	Hand Rail
Fence Relocation	
Outbuilding/Shed	

Attach the following items to your application:

1. Floor Plan (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) of your model showing the location of the proposed improvement.
2. Brochure and/or Specifications for proposed items.
3. Your contractor's proposal (prices may be blacked out). - SEE NOTE ABOVE ATTACHMENT

Please read and sign below:

I have read the Architectural Guidelines (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) and understand that the approval timeline can take up to 90 days.

Susan

11-8-2016

Signature

Date

The Architectural Review Committee recommends:

Approval

Approval with Conditions

Disapproval

Chair: Alan T. Waters

Date: Nov. 14, 2016

The Board of Directors will review for final approval at their next open session on \_\_\_\_\_.



Nepenthe Association, 1131 Commons Drive, Sacramento, CA 95825  
 916.929.8380 / [nepenthe@fsresidential.com](mailto:nepenthe@fsresidential.com)

# HOME IMPROVEMENT APPLICATION

Date: 10.31.16  
 Name: Pamela Livingston  
 Address: 215 Elmhurst

Phone: 916-802-6361  
 Email: PJLRGL@gmail.com  
 House Model: 5500

What improvement are you applying for? One improvement per application, please.

These items can be approved in management office:

These items require ARC/Board approval:

Front door from approved styles	Air Conditioner/Heat Pump Replacement
Screen door from approved styles	<input checked="" type="checkbox"/> Window or Patio Slider Replacement
Garage man door from approved styles	Creating New Window in a Wall
Garage vehicle door from approved styles	Window Security Features/Bars
Cable/Satellite installations	Window- Sun Screens
Mail Box	Skylights or Solar Tubes
Mail Slot, if replacing or approved by Postmaster	Solar Roof Panels (Thermal or Electric)
Chimney Cap	Gas Line and Meter
If you have an improvement not listed, describe it here:	Shade Structure- Trellis, Awnings, Sails, Etc.
	Trellis- Floral Support-Garden Feature
	Patio Hardscape / Planter Boxes
	Patio Pool or Spa and Equipment
	Attic Fans
	Vents – Installations and/or Relocations
	Security Camera and/or Lighting
	Hand Rail
Fence Relocation	
Outbuilding/Shed	

Attach the following items to your application:

1. Floor Plan (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) of your model showing the location of the proposed improvement.
2. Brochure and/or Specifications for proposed items.
3. Your contractor's proposal (prices may be blacked out).

Please read and sign below:

I have read the Architectural Guidelines (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) and understand that the approval timeline can take up to 90 days.

Pamela Livingston 10.31.16  
 Signature Date

The Architectural Review Committee recommends:

Approval  Approval with Conditions  Disapproval

Chair: Alan W. Watters Date: Nov. 14, 2016

The Board of Directors will review for final approval at their next open session on \_\_\_\_\_.

\* REVISED  
ReSubmitted  
11-9-2016

Architectural Review Committee  
HOME IMPROVEMENT APPLICATION

Nepenthe Association  
C/O Merit Property Management, Inc.  
1131 Commons Dr., Sacramento, CA 95825

Phone: 916-929-8380; Fax: 916-929-1773

House Model Number: 2000

NAME JOAN HARADON SIGNATURE [Signature]  
ADDRESS 2257 SWARTHMORE DATE \_\_\_\_\_  
PHONE: \_\_\_\_\_ ALT. PHONE 916 983-5344

**SUBMITTAL CHECK LIST:** (Please attach the following to this Home Improvement Application if applicable)

- Facing, Adjacent and Impacted Neighbor Statement when the change is visible from the exterior
- 1 Set of Drawings - Should include details of dimensions, height, distance from fencing, size, design, color and materials. Location of drains must be included on drawings. Please fold plans to 8 1/2" x 11".

**PROJECTS BEING SUBMITTED:** Please review Nepenthe Architectural Criteria.

**DOORS**

- Front Door (only approved doors)
- Screen Door (only approved doors)
- Rear Patio (if visible from common areas)
- Garage (only approved garage doors) \*

**POOL**

- Patio Pool & Equipment

**PATIO STRUCTURES**

- Trellis (Floral/Overhead) (size, type, color) \*\*
- Shed/Outbuilding

**ROOF**

- Chimney Caps
- Gutter/Downspouts
- Satellite Dishes \*
- Skylight (\*\*attach inspection fee)
- Solar Energy Roof Panels (\*\*attach inspection fee)
- Solar Tubes (\*\*attach inspection fee)

**UTILITIES**

- Air Conditioner/Heat Pump (placement & size)
- Gas Line and Meter (\*\*attach inspection fee)

**WINDOWS**

- Garden
- Exterior - sun screen
- Exterior window - security
- Replacement - Frames and Glass (only approved windows, frame size, and color)
- Interior Coverings

**SMALL EXTERIOR INSTALLATION**

- Burglar Alarm
- Hand Rail (type and placement)
- Mail box insert (type and placement)
- Mail Slot (type and placement)
- Wire & Pipe installations
- Vent Relocations (placement) (\*\*attach inspection fee)
- Signs (Nepenthe provides house numbers. Call the office. No exceptions)

OTHER Please describe in detail CONTRACTOR - MARK GAMET  
425-8871

\*automatic approval from office if following Nepenthe criteria

\*\*attach completion inspection fee - certain changes require post installation inspection by Nepenthe agent. Fee is \$40. Check must be attached.

**DO NOT WRITE BELOW THIS LINE (For Committee Use Only)**

The Architectural Review Committee has determined that the above submittal is:

- Approved
- Approved With Conditions
- Disapproved as Submitted

ARC Chair [Signature] Date 9-12-16

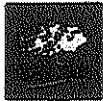
Re-approved 11-14-16 [Signature]

- See notes on plans.
- See comments below and/or on reverse
- Resubmit with more details for \_\_\_\_\_
- Resubmit patio cover with additional dimensions and elevation.
- Submit originally reviewed plans with revised drawings.

COMMENTS:

Final Inspection Required: Yes  No





Nepenthe Association, 1131 Commons Drive, Sacramento, CA 95825  
 916.929.8380 / [nepenthe@fsresidential.com](mailto:nepenthe@fsresidential.com)

**Note: This is an Emergency Replacement Application.**

# HOME IMPROVEMENT APPLICATION

Date: November 23, 2016

Phone: (916) 920-8549

Name: DIANE LUTTRELL

Email: [kenl@cyseng.com](mailto:kenl@cyseng.com) & [diane.luttrell@gmail.com](mailto:diane.luttrell@gmail.com)

Address:

House Model: 1625

What improvement are you applying for? One improvement per application, please.

These items can be approved in management office:

These items require ARC/Board approval:

- Front door from approved styles
- Screen door from approved styles
- Garage man door from approved styles
- Garage vehicle door from approved styles
- Cable/Satellite installations
- Mail Box
- Mail Slot, if replacing or approved by Postmaster
- Chimney Cap

- Air Conditioner/Heat Pump Replacement /Relocation
- Window or Patio Slider Replacement
- Creating New Window in a Wall
- Window Security Features/Bars
- Window- Sun Screens
- Skylights or Solar Tubes
- Solar Roof Panels (Thermal or Electric)
- Gas Line and Meter
- Shade Structure- Trellis, Awnings, Sails, Etc.
- Trellis- Floral Support-Garden Feature
- Patio Hardscape / Planter Boxes
- Patio Pool or Spa and Equipment
- Attic Fans
- Vents – Installations and/or Relocations
- Security Camera and/or Lighting
- Hand Rail
- Fence Relocation
- Outbuilding/Shed

If you have an improvement not listed, describe it here:

The existing lines leak somewhere other than in the condenser unit or heat unit. The contractor will relocate the condenser closer to the building and run new fluid & electrical lines on the side of the patio fence to the building and connect to the existing lines that will remain inside the wall of the building. If that doesn't solve the leak, a new application and contract will be submitted for removing siding and replacing the fluid lines in the building wall.

Attach the following items to your application:

1. Floor Plan (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) of your model showing the location of the proposed improvement.
2. Brochure and/or Specifications for proposed items.
3. Your contractor's proposal (prices may be blacked out).

Please read and sign below:

I have read the Architectural Guidelines (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) and understand that the approval timeline can take up to 90 days.

*Diane Luttrell*  
 For Diane Luttrell

November 23, 2016

Signature

Date

The Architectural Review Committee recommends:

Approval  Approval with Conditions  Disapproval

Chair: *Alan T. Watts* Date: *11/23/16*

The Board of Directors will review for final approval at their next open session on N/A.

*Board has previously granted this committee full power to approve Emergency HVAC approvals.*

SCANNED



Nepenthe Association, 1131 Commons Drive, Sacramento, CA 95825  
 916.929.8380 / [nepenthe@fsresidential.com](mailto:nepenthe@fsresidential.com)

# HOME IMPROVEMENT APPLICATION

Date: 11/29/16  
 Name: Suzanne Miller  
 Address: 106 Dunbarton

Phone: 959.492.8699  
 Email: suzanneparkermillere@gmail.com  
 House Model: 5500A

**What improvement are you applying for? One improvement per application, please.**

**These items can be approved in management office:**

- Front door per criteria
- Screen door from approved styles
- Garage exterior man door per criteria
- Garage vehicle door per criteria
- Cable/Satellite Dish installations
- Mail Box from approved styles
- Mail Slot, if replacing or approved by Postmaster
- Chimney Cap

**If you have an improvement not listed, describe it here:**

**These items require ARC & Board approval:**

- Air Conditioner / Heat Pump Replacement
- Check if emergency approval is needed
- Window or Patio Slider Replacement
- Window - new construction
- Window - Security Features/Bars
- Window - Sun Screens
- Skylights or Solar Tubes
- Solar Roof Panels (Thermal or Electric)
- Gas Line and Meter
- Shade Structure - Trellis, Awnings, Sails, Etc.
- Trellis - Floral Support / Garden Feature
- Patio Hardscape / Planter Boxes
- Patio Pool / Spa and Equipment
- Attic Fans
- Vents - Installations and/or Relocations
- Security Camera and/or Lighting
- Hand Rail
- Fence Relocation
- Outbuilding / Shed

**Attach the following items to your application:**

1. Floor Plan (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) of your model showing the location of the proposed improvement.
2. Brochure and/or Specifications for proposed items.
3. Your contractor's proposal (prices may be blacked out).

**Please read and sign below:**

I have read the Architectural Guidelines (available at clubhouse or [www.NepentheHOA.com](http://www.NepentheHOA.com)) and understand that the approval timeline can take up to 90 days.

Suzanne Miller                                  11/29/2016  
 Signature    Date

**The Architectural Review Committee recommends:**

Approval                       Approval with Conditions                       Disapproval  
 Chair: Alan T. Watters                      Date: 11/29/2016

The Board of Directors will review for final approval at their next open session on (N/A for final approval)



# NEPENTHE ASSOCIATION

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

## **Board Goals for 2016**

Adopted February 3, 2016

- Appoint committee to evaluate options for use of lot on University Ave. and report to the Board including potential costs and benefits of each option.
- Map and develop funding strategies for maintenance and renovation of underground utilities.
- Obtain outside funding for turf renovations and low-water use irrigation methods.
- Research renovation or replacement of current landscape lighting.

## Bettsi Ledesma

---

**From:** Rec1146 <rec1146@aol.com>  
**Sent:** Friday, December 02, 2016 10:32 AM  
**To:** Bradley Epstein  
**Cc:** mgorton@boutinjones.com; steve@huffmanstrategy.com; bill@mcclatchyins.com; Bettsi Ledesma; Gary Gale  
**Subject:** Re: Nepenthe Association; License Agreement for owners to fence in their air conditioning units

Good morning, Brad. Excellent work on the License Agreement. Very much appreciated. Richard

Sent from my iPhone. Richard E. Coombs

On Dec 1, 2016, at 4:47 PM, Bradley Epstein <[bepstein@angius-terry.com](mailto:bepstein@angius-terry.com)> wrote:

Hi Richard:

Yes, we concur that a license agreement is a reasonable method to allow owners to fence in air conditioners in the common area. Please find attached a proposed agreement.

As you state, a license agreement, unlike an easement agreement, will most likely not bind subsequent owners. Accordingly, if a subsequent owner does not agree to be bound by the license agreement, then the Association may be forced to either maintain or remove the fence. In that event, it is questionable as to whether the Association may recover such maintenance or removal costs by a special individual assessment against the subsequent owner under the CC&Rs, Section 5.3(b).

Also, it is our experience that most insurers will not insure a portion of the common area on behalf of an owner.

Thanks.

<image002.png>

**Brad Epstein | Attorney at Law**  
**916-567-1400, extension 201**  
[ANGIUS & TERRY LLP](#)

CONFIDENTIALITY NOTICE. This communication contains information which (a) may be legally privileged, proprietary in nature, or otherwise protected by law from disclosure, and (b) is intended only for the use of the addressee/s named. If you are not the addressee, or the person responsible for delivering this to the addressee/s, you are hereby notified that reading, copying, or distributing this communication is prohibited. If you have received this communication in error, please notify the sender immediately by calling (800) 680-4001. Thank you.

**From:** Richard E. Coombs [<mailto:rec1146@aol.com>]  
**Sent:** Thursday, November 10, 2016 2:09 PM  
**To:** Bradley Epstein <[bepstein@angius-terry.com](mailto:bepstein@angius-terry.com)>  
**Cc:** [mgorton@boutinjones.com](mailto:mgorton@boutinjones.com); [steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com); [bill@mcclatchyins.com](mailto:bill@mcclatchyins.com)  
**Subject:** Re: Nepenthe Association; The board granting owners exclusive use of portions of common area, such as for fencing in air conditioners

Brad: Thanks for the opinion. We've had a chance to chew on the dilemma of the enclosed common areas and I expressed a possible cost-effective option at the November meeting. Would an option be to permit use of the property by

license? Doing so results in a revocable, time-limited permission to use Nepenthe property while not granting, definitely or otherwise, an interest in the property. Moreover, it does not have to be recorded and can run for the term of ownership. Nepenthe would retain its insurance obligations and it is likely the member would have or could obtain coverage for the small parcel of enclosed, fenced property. Would you give this some consideration and let us know what you think? Thanks, as always

Richard E. Coombs (916) 798-6100 (cell) or (916) 564-8287

-----Original Message-----

From: Bradley Epstein <[bepstein@angius-terry.com](mailto:bepstein@angius-terry.com)>

To: Richard E. Coombs ([rec1146@aol.com](mailto:rec1146@aol.com)) <[rec1146@aol.com](mailto:rec1146@aol.com)>

Cc: Bettsi.Ledesma <[Bettsi.Ledesma@fsresidential.com](mailto:Bettsi.Ledesma@fsresidential.com)>; steve <[steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com)>; ivan.gennis <[ivan.gennis@gmail.com](mailto:ivan.gennis@gmail.com)>; bill <[bill@mcclatchyins.com](mailto:bill@mcclatchyins.com)>

Sent: Fri, Aug 12, 2016 5:26 pm

Subject: Nepenthe Association; The board granting owners exclusive use of portions of common area, such as for fencing in air conditioners

Hi Richard:

It is our opinion that, pursuant to State law, the board may, without the Association members' approval, allow owners to fence in small portions of the common area, such as areas that include owners' air conditioners.

Accordingly, in compliance with State law, we recommend that the board proceeds as follows with respect to allowing, and having allowed, owners to fence in small portions of the common area, such as areas that include owners' air conditioners. Also, it is our experience that owners might voice objections to boards granting other owners exclusive use of common areas, arguing that it is unfair that some owners receive the special treatment of "taking" part of the association's common area.

1. Decide that the Association will grant such owners an easement for the small portions of the common area in order "[t]o transfer the burden of management and maintenance of [the portion of the] common area that is generally inaccessible and not of general use to the membership at large of the association." As part of the decision, decide "whether the association will receive any monetary consideration for the grant and whether the association or the [owner] will be responsible for providing any insurance coverage for exclusive use of the common area."

2. File with the county recorder agreements that provide that the Association is granting the owners exclusive use of the small portions of the common area, and that provide that the owners "will be responsible for providing any insurance coverage for exclusive use of the common area," and will be responsible to maintain, repair, and replace the components within the portions of the common area.

Our opinion and recommendation are based on the following State law.

Civil Code Section 4600 (Grant of Exclusive Use) provides:

"(a) Unless the governing documents specify a different percentage, the affirmative vote of members owning at least 67 percent of the separate interests in the common interest development shall be required before the board may grant exclusive use of any portion of the common area to a member.

(b) Subdivision (a) does not apply to the following actions:

...

(3) Any grant of exclusive use that is for any of the following reasons:

...

(E) To transfer the burden of management and maintenance of any common area that is generally inaccessible and not of general use to the membership at large of the association.

...

(c) Any measure placed before the members requesting that the board grant exclusive use of any portion of the common area shall specify whether the association will receive any monetary consideration for the grant and whether the association or the transferee will be responsible for providing any insurance coverage for exclusive use of the common area.”

Civil Code Section 4600 supersedes the CC&Rs at Section 14.6, which provides:

Notwithstanding any other provisions of this Declaration, without the prior written consent of at least seventy-five (75%) percent of the Owners and holders of first Mortgages on the Lots, such percentage to be based upon the total number of Lots so mortgaged, with each such Mortgagee entitled to one vote, the Association shall not:

(a) By act or omission abandon, partition, subdivide, encumber, sell or transfer the Common Area or any improvements thereon (except that the granting of any easement for public utilities, or for other public purposes consistent with the intended use of the Properties, shall not be deemed a “transfer” as that term is used in this clause);

...

Also, Section 14.6 concerns transferring the “Common Area,” rather than *small portions* of the common area.

Thanks.

<image003.png>

**Brad Epstein | Attorney at Law**

**(916)567-1400**

**ANGIUS & TERRY LLP**

CONFIDENTIALITY NOTICE. This communication contains information which (a) may be legally privileged, proprietary in nature, or otherwise protected by law from disclosure, and (b) is intended only for the use of the addressee/s named. If you are not the addressee, or the person responsible for delivering this to the addressee/s, you are hereby notified that reading, copying, or distributing this communication is prohibited. If you have received this communication in error, please notify the sender immediately by calling (800) 680-4001. Thank you.

**From:** Richard E. Coombs [<mailto:rec1146@aol.com>]

**Sent:** Friday, July 29, 2016 12:39 PM

**To:** Bradley Epstein <[bepstein@angius-terry.com](mailto:bepstein@angius-terry.com)>

**Cc:** [steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com); [ivan.gennis@gmail.com](mailto:ivan.gennis@gmail.com); [bill@mcclatchyins.com](mailto:bill@mcclatchyins.com); [bettsi.ledesma@fsresidential.com](mailto:bettsi.ledesma@fsresidential.com)

**Subject:** Nepenthe - Re: Attorney opinion

Good afternoon, Brad: At our last Insurance, Legal and Risk meeting it was brought to our attention that the Board has taken some reasonably innocent action which may create some problematic title and/or member problems down the road. Historically, it appears this action has been performed by prior Boards as well so it's nothing new. What has happened is that the Board has approved the relocation of some patio or other fences to enclose air conditioning units

(or for other reason). Relocation results in enclosing common area not owned by the member but exclusively used by the member. Naturally, the member believes they now "own" the enclosed area and very likely maintain it and any equipment located therein, but given the up-coming change in Davis-Stirling, it occurred to the committee that some documentation, perhaps recorded, should memorialize the Board's action. Passage of time and transfer of title may compound the problem. Perhaps a recorded "licensing agreement" for use of the common area or grant of an "easement" would fix the problem. What are your thoughts now that you are aware ?

Richard E. Coombs [\(916\) 798-6100](tel:9167986100) (cell) or [\(916\) 564-8287](tel:9165648287)

-----Original Message-----

From: Bettsi Ledesma <[Bettsi.Ledesma@fsresidential.com](mailto:Bettsi.Ledesma@fsresidential.com)>

To: Rec1146 <[rec1146@aol.com](mailto:rec1146@aol.com)>

Cc: Steve Huffman ([steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com)) <[steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com)>

Sent: Thu, Jul 28, 2016 11:18 am

Subject: Attorney opinion

Hi Richard,

I understand that your committee had some concerns regarding Civil Code 4775(a). I addressed this concern with Brad Epstein and have received his response:

From General Manager Bettsi Ledesma:

The last thing is a request from the Insurance, Legal and Safety Committee. They want your opinion as to whether we our governing documents are compliant with Civil Code 4775 concerning maintenance and replacement responsibilities for exclusive use common areas.

From Attorney Brad Epstein:

It is our opinion that the Association's governing documents are compliant with 2017 Civil Code Section 4775(a). This is because there are no exclusive use common areas in the development. Accordingly, Section 4775(a) does not impact the Association.

I hope this is helpful to you. I will also be including this information in my monthly report to the Board next week.

Kind regards,

<image004.jpg>

**Bettsi Ledesma, CMCA**

**General Manager**

**Nepenthe Association**

1131 Commons Drive, Sacramento, CA 95825

[916.929.8380](tel:9169298380)

Email: [bettsi.ledesma@fsresidential.com](mailto:bettsi.ledesma@fsresidential.com)

[www.NepentheHOA.com](http://www.NepentheHOA.com)

<fence license.docx>



November 1, 2016

The Nepenthe Association  
Bettsi Ledesma  
1131 Commons Dr.  
Sacramento, CA 95825  
Phone: (916) 929-8380  
Email: [Bettsi.Ledesma@fsresidential.com](mailto:Bettsi.Ledesma@fsresidential.com)

On October 24, 2016, I inspected several trees on the Nepenthe property during the monthly tree walk. The focus of the walk was to address resident/management concerns regarding mature trees on the property. The purpose of this report is to develop mitigation plans for the following trees and my recommendations are below.

- Tree # 890 Birch (*Betula pendula*) next to 1329 Commons. Tree has signs of internal decay in trunk (Figure 1). Tree has signs of fungal growth at base (Figure 2). Recommend removal and replacement.
- Tree #887 Interior Live Oak (*Quercus wislizeni*) next to Swarthmore. Tree seems healthy for age. The Tree has an old cable system (Figure 3). The tree has not been pruned in several years the cable looks to be old. Without proper maintenance the cable system becomes ineffective. Possible dieback on one stem caused by cable anchor. My recommendation is to check cable system and prune for selective weight reduction on heavy areas of the canopy over the building.
- Tree #895 Interior Live Oak (*Quercus wislizeni*) 1329 Commons. Tree seems healthy for age. The Tree has an old cable system (Figure 4). The tree has not been pruned in several years the cable looks to be old and the tree grew around cable system causing a girdle effect (Figure 5). Without proper maintenance the cable system becomes ineffective. The Cable system used is high tension braided rope and should be replaced. My recommendation is to check cable system and replace, and to prune for selective weight reduction on heavy areas of the canopy.
- Tree #1035 Ash (*Fraxinus pennsylvanica*) next to Dunbarton. Tree appears healthy, heavy canopy. Tree does have old cuts on major roots possible root decay (Figure 6). My recommendation is to retain and monitor tree health. Prune for deadwood and weight reduction
- Tree #738 Redwood (*Sequoia sempervirens*) next Dunbarton. Tree has large dead top (Figure 7) and some deadwood in canopy. However appears to be healthy. My recommendation is to prune out the deadwood, and retain and monitor tree.
- Tree's #2022& 2024 Tulip tree (*Liriodendron tulipifera*) at 1473 University. Trees appear healthy, normal leaf drop for fall. Resident concerned about sticky leaves may have been from aphids. Recommend trees for pruning to clean out dead wood, water sprouts and some selective weight reduction. Monitor trees in spring for aphids.



- Tree #2082 Tulip tree (*Liriodendron tulipifera*) at 1743 University. Tree has heavy over weighted limbs (Figure 8). Some fungal activity at base. Large overextended limb over the building. (Figure 9). My recommendation is to remove overextended limb and to prune tree for weight reduction and to retain tree.
- Structural pruning and stake removal on the following trees:  
Japanese maple at 1131 Commons, Silver Maple#1003 at 703 Dunbarton, Pistashe #737 at 813 Dunbarton, Redbud#588 at 1276 Vanderbilt, Crepe Myrtle #989 at 615 Dunbarton

---

**9530 Elder Creek Road, Sacramento CA 95829**  
OFFICE: 916-231-8733 FAX: 916-856-5410

CONTRACTOR'S LICENSE: 470283

A DIVISION OF CARSON LANDSCAPE INDUSTRIES



Figure 1



Figure 2



Figure 3



Figure 4



Figure 5



Figure 6



Figure 7





Figure 8



Figure 9

\*This report is based on a basic visual inspection of the trees listed above. It is recommended that a more detailed evaluation of the trees be on a case by case basis at the request of Nepenthe association.

Sincerely,

Paul Dubois  
The Grove Total Tree Care  
ISA Certified Arborist WE-9034AU  
Qualified Tree Risk Assessor



November 30, 2016



The Nepenthe Association  
 Betsi Ledesma  
 1131 Commons Dr.  
 Sacramento, CA 95825  
 Phone: (916) 929-8380  
 Email: Betsi.Ledesma@fsresidential.com

**Re: Tree Work Contract  
 November Arborist Report**

This commercial bid is to provide labor and material as stated below. All tree work is in accordance with ANSI A300 standards and the scope of work referenced in Addendum #1.

**Work Description**

Tree Species	Qty.	Service Description	Location	Cost
Tree # 890 Birch	1	Removal & Stump Grind	1329 Commons	\$480.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$480.00</b>

Tree Species	Qty.	Service Description	Location	Cost
Tree #887 Interior Live Oak	1	Inspection of Cable, Weight reduction pruning	Swarthmore	\$720.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$720.00</b>

Tree Species	Qty.	Service Description	Location	Cost
Tree #895 Interior Live Oak	1	Cable inspection, Removal of old cable system,* May require replacement of cable system TBD	1329 Commons	\$130.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$130.00</b>

Tree Species	Qty.	Service Description	Location	Cost
Tree #1035 Ash	1	Deadwood and weight reduction	Dunbarton	\$360.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$360.00</b>



Tree Species	Qty.	Service Description	Location	Cost
Tree #738 Redwood	1	Remove dead top	Dunbarton	\$360.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$360.00</b>

Tree Species	Qty.	Service Description	Location	Cost
Tree's #2022& 2024 Tulip	2	Weight reduction and deadwood	1473 University	\$1440.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$1440.00</b>

Tree Species	Qty.	Service Description	Location	Cost
Tree #2082 Tulip	1	Weight Reduction		\$720.00
<b>TOTAL CONTRACT PRICE</b>				<b>\$720.00</b>

- **Structural pruning and stake removal on the following trees:**  
 Japanese maple at 1131 Commons, Silver Maple#1003 at 703 Dunbarton, Pistashe #737 at 813 Dunbarton, Redbud#588 at 1276 Vanderbilt, Crepe Myrtle #989 at 615 Dunbarton  
**Total Price \$480.00 Initial**

**Total Contract Price \$4,690 Initial**

**Notes:** 1. Addendum #1 is incorporated and an enforceable part of this contract. 2. This proposal may be withdrawn by us if not accepted within 30 days.

**Terms:** Payment in full is due upon completion of the work. A finance charge of 1.5% per month will be added to the unpaid balance after 30 days. In the event legal action is taken to collect on a past due account, the debtor agrees to pay all collection costs including interest, attorney's fees and court costs. Any alteration or deviation from the above involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be in writing. The Grove Total Tree Care is not to be held liable for damage to irrigation when grinding stumps. Tree pruning shall include removal of all trimmings and cleanup. Our workers are fully covered by Worker's Compensation and our firm covered by liability insurance

**Vendor:**  
 The Grove  
 A division of Carson Landscape Industries  
 9530 Elder Creek Road, Sacramento, CA 95829  
 Contractor's License #470283  
 Ph: (916) 231-8733 \* Fax: (916) 856-5410  
 Email: pdubois@thegrovetotaltreecare.com

**Client:**  
 The Nepenthe Association  
 Bettsi Ledesma  
 1131 Commons Dr.  
 Sacramento, CA 95825  
 Phone: (916) 929-8380  
 Email: Bettsi.Ledesma@fsresidential.com

By: Paul Dubois By: \_\_\_\_\_  
 Name: Paul Dubois Name: \_\_\_\_\_  
 Title: ISA Arborist/ Account Manager WE 9034-AU Title: \_\_\_\_\_  
 Date: November 30, 2016 Date: \_\_\_\_\_



# Addendum 1

## General Terms and Conditions

**Scope of Work:** All contracted services performed by The Grove are in accordance with the “Practical Specifications for Contract Tree Management,” through the American National Standards Institute and all pruning conforms to ANSI A300 guidelines. The Grove conducts all work in compliance with ISA ANSI Z133 Standards, OSHA and all state and local regulations. Contracted tree care work includes removal of all resultant debris and job site cleanup.

**Payment & Invoicing:** Work will be invoiced in full upon completion. Payment is due 10 days from date of invoice. A finance charge of 1.5% per month will be added to the unpaid balance after 30 days. In the event legal action is taken to collect on a past due account, the debtor agrees to pay all collection costs including interest, attorney’s fees, and court costs.

**Change Orders & Additional Work:** Any alteration or deviation to this proposal involving extra cost of material and/or labor will only be executed upon written and signed orders for same, and will become an extra charge over the sum mentioned in this contract. The order must describe the scope encompassed by the change order, the amount to be added or subtracted from the contract and the effect the order will have on the schedule of progress payments, if applicable. Failure to obtain a signed Change Order does not preclude the recovery by Contractor of compensation for work performed based upon quasi contract, quantum merit, restitution or other similar legal or equitable remedies.

**Tree & Stump Removal/Grinding:** Trees removed will be cut as close to the ground as possible based on conditions near to or next to the bottom of the tree trunk. Additional charges will be levied for unseen hazards such as, but not limited to, concrete or brick filled trunks, metal rods, etc. If requested, mechanical grinding of visible tree stump is completed 8-12 inches below surface grade at an additional charge to the Client/Owner.

**Scheduling of Work:** This proposal is null and void if the jobsite conditions materially change from the time of approval of this proposal to the time work starts, such that the job costs are adversely changed. Scheduling of work is dependent on weather conditions and workloads.

**Permits, Fees & Assessments:** Unless otherwise agreed to in writing by both parties, the owner assumes full responsibility to obtain and pay for all necessary permits, fees, property taxes, and assessments.

**Disclaimer:** This proposal for tree care services was estimated and priced based upon a site visit and visual inspection from ground level using ordinary means, at or about the time this proposal was prepared. Visual inspection is reflected solely in bid provided. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore our company will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. The work performed by The Grove is intended to reduce the chances of tree failure and any corresponding property liabilities, in addition to enhancing aesthetic value but is not a guarantee. We cannot be held responsible for unknown or otherwise hidden defects of your trees, which may fail in the future. The corrective work proposed herein cannot guarantee exact results.

**Liability:** The Grove is not responsible for damage done to sprinklers or underground utilities such as, but not limited to, cable, water, gas and electrical. Client/Owner shall be responsible for contacting Underground Service Alert to locate underground utility lines prior to start of work. The Grove will repair damaged irrigation lines at the Client/Owner’s expense and approval. Any illegal trespass claims and/or damages resulting from work requested that is not on property owned by Client/Owner or not under Client/Owner management and control shall be the sole responsibility of the Client/Owner.

**Waiver of Liability:** Requests for crown thinning in excess of twenty-five percent (25%), or work not in accordance with ISA (International Society of Arboricultural) standards will require a signed waiver of liability.

**Commercial General Liability Insurance:** Contractor carries commercial general liability insurance written by Golden Eagle Insurance. You may call John O. Bronson Company at 916-480-4150 to verify our coverage.

**Worker’s Compensation Insurance:** Contractor carries worker’s compensation insurance for all employees.

**Attorney’s Fees:** In the event that litigation is commenced to interpret or enforce any of the rights or obligations under this Agreement, the prevailing party shall be entitled to recover his attorney’s fees and litigation expenses incurred as a result of the litigation. Said attorney’s fees and expenses shall be fixed by the court or arbitrator.

**Cancellation:** Notice of cancellation of work must be received in writing before the crew is dispatched to their location or Client/Owner will be liable for a minimum travel charge of \$150.00 and billed to Client/Owner.

Client/Owner: \_\_\_\_\_





**2016 - 2017**  
**Flood Insurance Renewal Summary**

**Prepared for:**

NEPENTHE ASSOCIATION  
C/O FirstService Residential  
15241 Laguna Canyon Road, Irvine, CA 92618

**Presented By:**

Ryan DeShong  
3400 Bradshaw Road, Suite C  
Sacramento, CA. 95827  
916-636-0115

**LICENSE NUMBER # 0E44888**

**November 23<sup>rd</sup>, 2016**

***DISCLAIMER*** - THE ABBREVIATED OUTLINES OF COVERAGE'S USED THROUGHOUT THIS PROPOSAL ARE NOT INTENDED TO EXPRESS ANY LEGAL OPINION AS TO THE NATURE OF COVERAGE. THEY ARE ONLY VISUALS TO A BASIC UNDERSTANDING OF COVERAGE'S. PLEASE READ YOUR POLICY FOR SPECIFIC DETAILS OF COVERAGE'S.



# Flood Insurance Renewal Summary

## Fire Insurance Exchange

<b>EFFECTIVE DATE</b>	December 14th, 2016
<b>EXPIRATION DATE</b>	December 14th, 2017
<b>COMPANY PLACEMENT</b>	Fire Insurance Exchange

LOCATION	470 OWNER OCCUPIED HOMES	
COVERAGE NAME	DEDUCTIBLE	LIMIT
Building	\$ 1,250	\$ 250,000
Contents	\$ 1,250	\$ 100,000
\$450.00 per policy x 470 Individual Homes		<b>Total: \$ 211,500</b>

LOCATION	120 NON-OWNER OCCUPIED HOMES	
COVERAGE NAME	DEDUCTIBLE	LIMIT
Building	\$ 1,250	\$ 250,000
Contents	\$ 1,250	\$ 100,000
\$675.00 per policy x 120 Individual Homes		<b>Total: \$ 81,000</b>

LOCATION	1131 COMMONS DRIVE (MAIN CLUBHOUSE)	
COVERAGE NAME	DEDUCTIBLE	LIMIT
Building	\$ 5000	\$ 500,000
Contents	\$ 5000	\$ 50,000
Annual Premium		<b>Total: \$ 3,364</b>

LOCATION	150 DUNBARTON DRIVE (CABANA)	
COVERAGE NAME	DEDUCTIBLE	LIMIT
Building	\$ 5000	\$ 225,000
Contents	\$ 0	\$ 0
Annual Premium		<b>Total \$ 2,005</b>

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<b>LOCATION</b>	<b>101 ELMHURST CIRCLE (POOL HOUSE)</b>		
<b>COVERAGE NAME</b>	<b>DEDUCTIBLE</b>	<b>LIMIT</b>	
Building	\$ 5000	\$ 75,000	
Contents	\$ 0	\$ 0	
Annual Premium		<b>Total</b>	<b>\$ 977</b>

<b>Total Renewal Premium 2016-2017</b>	<b>Total</b>	<b>\$ 298,846</b>
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<b>COVERAGE NAME</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
<b>Annual Flood Insurance Totals</b>	<b>\$ 248,470</b>	<b>\$ 249,029</b>	<b>\$ 305,640</b>	<b>\$ 298,846</b>