

**NEPENTHE ASSOCIATION
ANNUAL MEMBERS MEETING
May 23, 2018, 9:30 AM**

Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

MINUTES

I. CALL TO ORDER AND INTRODUCTIONS: 9:30am

II. PURPOSE OF MEETING

Under the Nepenthe Bylaws, Article IV, Section 4.7.c, Uncontested Elections, where the number of candidates does not exceed the number of Directors to be elected, the election of Directors may be accomplished by acclamation by the Board of Directors without the use of secret ballots unless prohibited by California law. At this year's annual meeting two new directors will join the Board via this process.

III. ANNOUNCEMENTS

The Board made the following announcements:

- a. End of term for two Directors: Linda Cook and Craig Price.
- b. New Board of Directors: Steve Huffman, Christina George, Frank Loge, Linda Cook and Jan Summers.

IV. OPEN FORUM

No homeowners spoke at this time

V. NEW BUSINESS

a. Vote to approve IRS Revenue Ruling

Homeowners associations generally have two different options when filing their respective Federal Income Tax returns. Although there are many different factors that can affect the final determination of which return shall be filed, IRS Revenue Ruling 70-604 is one factor that allows for homeowners associations to exclude net membership operating profits from taxation (as defined as excess membership operating revenues over membership operating expenses). Under this ruling, owners may vote to apply any excess membership income for the year to the following (or subsequent) year's budget requirements. Failure to approve the revenue ruling limits the tax filing options available to the association.

Vote: Shall the association apply any excess membership income for the year the following year's budget requirements?

No Action – Discussion Only

b. Vote to approve the Minutes from the 2017 Annual Meeting

Resolution: 2017 Annual Meeting Minutes are approved as submitted

Motion: Frank Loge

Second: Linda Cook

Vote: All in Favor

VI. ADJOURN: 9:31am