

RESPONSES TO DECEMBER 18, 2023, SPECIAL OPEN MEETING COMMENTS

Bradley J. Epstein, Attorney for Nepenthe HOA, providing background:

One petition sheet does not charge the same offenses as the others, however all but one signatory on that single form has been disqualified so the remaining pages of the petition still meet the minimum number of signatories to qualify. Any Director cannot act alone, decisions about contracts, proposals, policies and authorizing contracts is done by the entire Board at scheduled meetings, not by any one Director acting alone. The Member at Large position exists as the Board is to comprise of 5 members and there are only 4 job titles (President, Vice President, Treasurer, and Secretary). All Directors have equal votes and the same power and authority. Nepenthe has strong committees and the liaison to those committees come from all 5 Board Directors. There is no charge in the petition that is criminal – no fraud, no embezzlement, no crime.

About 99.9% of associations presented with a recall petition accept the petition without challenge and move to a recall election process.

HOMEOWNER COMMENTS:

Steven Jacobs, Homeowner: Homeowners have a right to speak and express their views. Asks Attorney Epstein if the Board could change its mind and if Epstein sees any allegation of fraud or a crime alleged in the petition. He is opposed to the recall.

Board Response: See Epstein responses in the background above. **The Board did decide to reconsider accepting the petition and discussed the implications and ramifications at a subsequent Special Open Meeting on December 27, 2023.**

Nancy Arndorfer, Homeowner, and ILS Committee Chair: She has lived here 44 years. It is unnecessary to recall a Director; a recall will be expensive. Asks how many who signed the petition have attended any committee or Board meetings:

Board Response: The Board appreciates the support.

Linda Cook, Homeowner, and past Board member: She is opposed to a recall. Has lived her 15 years and worked with Christina on Grounds Committee and the Board. She has the utmost respect for her – she has rigor, professionalism, and is caring about this community. She spends hours and hours on work for the community. She is saddened by this effort and urges everyone to vote NO. It is going to cost lots of money.

Board Response: The Board appreciates the support.

Greg Beale, Homeowner, and past Board member: Served on the Board. He feels people in this room lied to get him off the Board. HOA policy is the same as Public Administration. In Nepenthe, the issue is trees, not plants. Remember that last year's storm damaged 20 houses.

Board Response: The Board appreciates the support.

Susan Timmer, Homeowner, and Finance Committee Chair: Has lived here since 1996. She realized the Board had to vote to accept the recall to avoid the appearance of protecting another Director. Christina is hardworking and it's a crazy move to try to recall her; it's appalling. The petitioners are using a strategy to divide the community. Why cannot we work to accomplish more benefits. The Board members live here and work hard for the community. The recall is a charade. There would be a real loss if Christina was voted off the Board.

Board Response: The Board appreciates the support.

Joan Barrett, Homeowner: How much money will this cost? These people are saying they want to save money but now they want to cost us money. She is opposed to the recall.

Board Response: The Board appreciates the support. The General Manager is investigating the costs of a recall election.

Joan Trotta, Homeowner, and past Board member: This is ludicrous. Our Board is exceptional with members with broad professional experiences. We should be working together. The Board is not self-serving; they work for the community and this organization – they work for us. She has twice served on the Board and is proud of the Board. Our Grounds are excellent. She is sure all will come to the same conclusion to not recall.

Board Response: The Board appreciates the support.

Mary Gray, Homeowner, and past Board member: She has a procedural question on the recall. When will ballots be mailed?

Board response: There is a legal timeline that must be followed. Once the Special Meeting date is set, our Attorney will determine the mailing date.

Ashley Tangeraas, Homeowner, and past Board member: She's sponsoring the recall. The Board has never delegated the authority to the Member at Large to sign. A breach of duty is serious, and the Director is liable. Money has been overspent. She saw a small issue result in a large overspending. We are \$200,000 over budget. We are over \$944,000 over allocations. No one is tracking the monies spent. We need better accounting.

Board Response: The Member at Large position does not have a specific duty within the Board. Instead, this position serves a variety of roles as assigned by the President. A Member at Large is a full, voting member of the Board.

The Board disputes the charges of overspending; the homeowner can submit to the Board the proofs of this allegation and they will be reviewed and investigated.

Regardless, all spending is authorized by Board vote and no one Director can authorize HOA expenditures.

John Trotta, Homeowner: There is no basis for this recall and the Board should rescind its vote. The Board should ask the signers to pay for the courts to order a recall.

Board Response: The Board appreciates the support.

Will Vizzard, Homeowner, and past Board member: He has served 8 years with Christina in various Nepenthe roles. She was not a valedictorian at charm school. She is abrupt. But no one has worked harder for Nepenthe. As a procedural question, can we integrate a recall election with the upcoming election of 2 Board positions?

[Markus responded that the elections must be separate.]

Board Response: The Board appreciates the support. As Markus replied, the law does not permit comingling of the two elections.

John Baker, Homeowner, and past Board member: Wishes to comment to the Board and the others in the room. Everyone is concerned about this effort. There is no sense in paying for 2 elections. The allegations made in the petition are not true. Our last and very experienced General Manager lost her will to work here due to the efforts of the cabal pushing this recall.

Board Response: The Board appreciates the support.

Don Landslittel, Homeowner: This recall is a result of finances. We need to get a better handle on monies and slow down our expenditures. Our reserved percent funded is falling. This will lead to insolvency. He's been told he knows nothing about accounting, but he knows he knows management. Something is going on and putting the recall off until May with the other election is part of it.

Board Response: The setting of the recall election date is proscribed by law and based upon the date the petition was presented to the Board. Our financial situation is sound.

Diane Schaal, Homeowner: It seems like it's a political trend to go forward and spend money to no end. The Board had to go forward. There is no intent or legal problem presented in the petition.

Board Response: The Board appreciates the support.

Pam DiMaggio, Homeowner: She thanks the Board and is very saddened by the recall effort. Has lived her 10 years and has felt embraced by the community – it's home and family. Now it's a divorce and this is a bitter way to handle a situation. Christina looks for ways to make things better.

Board Response: The Board appreciates the support.

Ricardo Pineda, Homeowner: He appreciates the Board and our committees. He doesn't support the recall, but it is in the rules. Costs are rising and we need more transparency and better communication. We need to be efficient in face of rising prices and the outcome of AB1572 that is coming. He opposes the recall effort.

Board Response: The Board appreciates the support.

Gerry Gelfand, Homeowner: Would like to advocate for keeping things civil. Our attorney says there is no legal violations. So, let's not do a recall and save that money. There is no good reason to do a recall.

Board Response: The Board appreciates the support.