

DATE: November 7, 2024  
TO: The Membership – Nepenthe Association  
FROM: The Board of Directors  
RE: 2025 Budget – Effective January 1, 2025

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Each year, the association's volunteer Board of Directors performs a very careful review of the past year's expenses and income to best project the amount to collect from each member in the upcoming fiscal year. When reviewing the budget, the Board considers several factors such as: recurring contract costs, inflation, utility usage and rates, insurance, and appropriate reserve contributions (savings) each month to pay for repair, restoration and/or replacement of common area components as needed.

As a result of this review, the Board has determined that an increase of 12.9% will be necessary to meet the association's financial needs in the upcoming fiscal year. **Please note that effective January 1, 2025, your new monthly assessment will be \$700 per month. Please note, the \$700 assessment includes the \$41 assessment for the residential water meters. Effective January 1, 2025, Owners will not receive a residential water bill, it will now be billed to the HOA.**

#### ***What Is Included in the Budget Packet?***

State law and the association's governing documents require the Board of Directors to distribute the following documents annually to each member:

- A summary of the *pro forma* budget for the upcoming fiscal year
- Assessment and Reserve Funding Disclosure Summary
- Reserve Study Executive Summary
- 5-Year Reserve Projection Model
- 30-Year Reserve Cashflow Analysis
- Delinquency Policy
- Written Notice of Assessments, Foreclosure, and Payment Plans
- Alternative Dispute Resolution (ADR) Procedure
- Internal Dispute Resolution (IDR) Procedure
- Discipline Policy
- Schedule of Penalties for Violation of the Association's Documents
- Architectural Submittal and Appeal Process
- Insurance Summary
- FHA Certification Disclosure
- VA Certification Disclosure
- Billing Disclosure Form
- ADR/IDR Policy

#### ***About the Reserve Study***

California law requires the association's Board of Directors to "cause to be conducted" a

reserve study with an onsite inspection at least once every three years. Although the law does not require the Board to perform a reserve study in years two and three, the law does require an annual disclosure to be distributed to the membership in those years. To ensure that the association’s major components are appropriately identified, the Board hires a professional reserve analyst for these services.\* The “Executive Summary” in this packet will show whether or not a site inspection was completed this year as determined by the Board.

California law also requires the Board to make these disclosures about the association’s reserve funds:

- 1) In the upcoming year, the association will fund reserves using the following sources:

	<i>Type of Funding</i>
<input checked="" type="checkbox"/>	Regular Assessments
<input type="checkbox"/>	Special Assessments
<input type="checkbox"/>	Borrowing
<input type="checkbox"/>	Use of Other Assets
<input type="checkbox"/>	Deferral of Repairs
<input type="checkbox"/>	Alternate Mechanisms

- 2) **The association has a total of \$10,067,469.22 in actual accumulated reserve funds as of September 2024. The Board anticipates that the amount will increase to \$10,660,161.22 by the end of the current fiscal year. According to the reserve analyst, the total replacement cost for all major components is \$55,144,771. The current reserve fund amount represents 19.33% of the projected total replacement cost.** Although this number usually seems low, the legislature requires the Board to disclose (in boldface type) how much it would cost the association to rebuild all of its major common area components if they were replaced all at once.
- 3) According to the reserve analyst, at the start of the upcoming fiscal year the association is anticipated to be 32.1% funded to the “ideal funding level”. That number represents the amount the association is anticipated to have on hand to repair or replace major components when they are scheduled to be repaired or replaced.
- 4) The Board of Directors has determined to defer or not undertake repairs or replacement of the following major components with a remaining life of 30 years

or less (as identified in the reserve study as having zero estimated remaining life):

<b>Item #</b>	<b>Item Description</b>	<b>Reason for Deciding to Defer or Not Undertake Repairs/Replacement</b>

**Insurance Information**

The association carries General Liability insurance in the amount of \$11,000,000 which meets the minimum amount specified in California law to ensure that owners are only individually liable for their proportionate share of special or regular assessments levied to pay any judgments against the association which exceed the limits of the association’s insurance.

Additional disclosures about the association’s insurance policies can be found within this packet, including the name(s) of the insurer(s), the types of insurance, the policy limits, and the deductible amounts (if any).

**Other Disclosures**

The Board of Directors does not anticipate that any special assessment will be required during the upcoming fiscal year to repair, replace and/or restore any major components or to provide adequate reserves.

Please contact our community manager, Nicole Marks at 916-929-8380 or via e-mail at [Nicole.Marks@fsresidential.com](mailto:Nicole.Marks@fsresidential.com) should you have any questions or if you would like to have a copy of the complete *pro forma* operating budget provided to you at the association’s expense or a copy of the complete reserve study plan. These documents are also available for review at 1131 Commons Drive, Sacramento, CA 95825 by appointment.

**ANNUAL POLICY STATEMENT – NEPENTHE ASSOCIATION**

The board is required to distribute an annual policy statement that provides the association members with information about its policies.

- 1) The name and address of the person designated to receive official communications to the association is the Manager on behalf of Nepenthe Association c/o FirstService Residential Management, 12009 Foundation Place, Suite 310, Gold River, CA 95670.
- 2) Members may submit a request to the address noted above to have notices sent to up to two different specified addresses.
- 3) Civil Code permits the association to provide General Notices to the membership via newsletter, billing statement messages, association website, or posting in a prominent location. If the association chooses to post notices, they will be

located on the bulletin board located on the exterior of the clubhouse near the front door.

- 4) If you would like all notices, including general notices, to be sent to you by individual delivery, please log in to the community website at <https://nepenthehomeowners.connectresident.com/> and update your communication preferences within the “My Account” settings of your profile.
- 5) Copies of minutes for board meetings that are open to the membership are available upon written request throughout the year. Minutes can be released to you 30 days following the meeting date, and any copying and posting charges for those minutes are the requestor’s responsibility. If the minutes are not approved by the Board within the 30-day period of the request, draft minutes will be provided to you.

\* The association’s board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve study specialists, CPAs and/or other professionals and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership the information contained in this Assessment Reserve Funding Disclosure Summary. The information contained within the reserve study includes assumptions regarding future events based on information supplied to the association’s board of directors from said professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a 30-year period of time which could impact the accuracy of the reserve study and the funds available to meet the association’s obligation for repair and/or replacement of major components during the next 30 years. Furthermore, severe weather conditions, earthquakes, floods or other acts of God, the occurrence of vandalism and other events that are difficult to anticipate cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain pursuant to the association’s CC&Rs.

**NEPENTHE ASSOCIATION**

GL Code	Description	Current Monthly Approved Budget	Current Annual Approved Budget	Monthly FYTD Average	12 Month Actual {6/30/2024}	12 mth Average of Actual	Proposed Budget Monthly	Proposed Budget Annual	Monthly Unit Cost	2024-2025 Annual Variance	Annual Percentage Variance(%)	Remarks
	REVENUE											
14000	HOMEOWNER ASSESSMENT REVENUE	365,799	4,389,588	348,418	4,181,022	348,419	413,000	4,956,000	700.00	566,412	12.90	
14087	EASEMENT AGREEMENT	2,000	24,000	2,237	26,843	2,237	2,000	24,000	3.39	0	0.00	
14101	INTEREST ON PAST DUE ASSESSMENTS	150	1,800	363	4,358	363	150	1,800	0.25	0	0.00	
14110	KEY REVENUE	50	600	78	940	78	50	600	0.08	0	0.00	
14113	CLUBHOUSE RENTAL	350	4,200	700	8,400	700	350	4,200	0.59	0	0.00	
14116	CC&R VIOLATIONS/FINES	0	0	300	3,604	300	0	0	0.00	0	0.00	
14122	INSURANCE REIMBURSEMENT	1,400	16,800	6,562	78,746	6,562	1,400	16,800	2.37	0	0.00	
14132	MISCELLANEOUS REVENUE	0	0	985	11,823	985	0	0	0.00	0	0.00	
14162	OPERATING INTEREST REVENUE	0	0	276	3,316	276	0	0	0.00	0	0.00	
14163	RESERVE INTEREST REVENUE	0	0	37,683	452,196	37,683	0	0	0.00	0	0.00	
14221	FACILITY RENTAL FEE	0	0	(50)	(600)	(50)	0	0	0.00	0	0.00	
14229	RENTAL FEES	0	0	63	750	63	0	0	0.00	0	0.00	
14234	LEGAL REIMBURSEMENTS	0	0	210	2,523	210	0	0	0.00	0	0.00	
	<b>**TOTAL REVENUE</b>	<b>369,749</b>	<b>4,436,988</b>	<b>397,825</b>	<b>4,773,921</b>	<b>397,826</b>	<b>416,950</b>	<b>5,003,400</b>	<b>706.69</b>	<b>566,412</b>	<b>12.77</b>	
	<b>**RESERVE CONTRIBUTION</b>											
19572	GYM/WORKOUT FACILITIES RESERVES	272	3,264	262	3,149	262	272	3,264	0.46	0	0.00	
19660	PAINTING-INTERIOR RES	202	2,424	183	2,197	183	123	1,476	0.21	(948)	(39.11)	
19714	CONCRETE REPAIR RESERVE	2,100	25,200	3,177	38,129	3,177	2,100	25,200	3.56	0	0.00	
19803	RESERVE INTEREST	0	0	37,683	452,196	37,683	0	0	0.00	0	0.00	
19820	ROOF RESERVE	70,032	840,384	67,399	808,791	67,399	65,000	780,000	110.17	(60,384)	(7.19)	
19822	POOL/SPA RESERVE	2,700	32,400	2,617	31,407	2,617	2,073	24,876	3.51	(7,524)	(23.22)	
19827	FENCING RESERVE	6,585	79,020	5,348	64,178	5,348	7,024	84,288	11.91	5,268	6.67	
19833	IRRIGATION RESERVE	15,614	187,368	11,967	143,602	11,967	2,462	29,544	4.17	(157,824)	(84.23)	
19846	SIGN RESERVE	581	6,972	434	5,205	434	581	6,972	0.98	0	0.00	
19878	PAVING RESERVE	10,820	129,840	10,841	130,086	10,841	10,820	129,840	18.34	0	0.00	
19899	RESERVE STUDY	152	1,824	154	1,846	154	152	1,824	0.26	0	0.00	
L19833	OUTDOOR EQUIPMENT RSRV	4	48	4	53	4	277	3,324	0.47	3,276	6,825.00	
L19835	PAINTING EXTERIOR RESERVE	12,308	147,696	12,488	149,858	12,488	12,308	147,696	20.86	0	0.00	
L19836	STRUCTURAL REPAIRS RSRV	37,367	448,404	37,930	455,166	37,931	37,367	448,404	63.33	0	0.00	
N19611	UNDERGROUND UTILITY REPR RSV	2,533	30,396	1,764	21,164	1,764	1,900	22,800	3.22	(7,596)	(24.99)	
N19691	POLE LIGHT REPR RSV	578	6,936	577	6,927	577	652	7,824	1.11	888	12.80	
N19717	CLBHOUSE REMODEL INTERIOR RENOVATIONS	2,945	35,340	2,855	34,260	2,855	1,645	19,740	2.79	(15,600)	(44.14)	
N19830	MISCELLANEOUS RSV	204	2,448	330	3,956	330	325	3,900	0.55	1,452	59.31	

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N19974	COMMON TENNIS CRT RSV	1,339	16,068	1,267	15,210	1,268	1,339	16,068	2.27	0	0.00	
N19975	GROUNDS RSV	15,614	187,368	11,967	143,602	11,967	13,500	162,000	22.88	(25,368)	(13.54)	
N19982	TREE REM/ ANNL MAINT RSV	15,614	187,368	11,967	143,602	11,967	13,560	162,720	22.98	(24,648)	(13.15)	
	<b>**TOTAL RESERVE CONTRIBUTION</b>	<b>197,564</b>	<b>2,370,768</b>	<b>221,214</b>	<b>2,654,584</b>	<b>221,216</b>	<b>173,480</b>	<b>2,081,760</b>	<b>294.03</b>	<b>(289,008)</b>	<b>(12.19)</b>	
	<b>**TOTAL AVAILABLE OPERATING REVENUE</b>	<b>172,185</b>	<b>2,066,220</b>	<b>176,611</b>	<b>2,119,337</b>	<b>176,610</b>	<b>243,470</b>	<b>2,921,640</b>	<b>412.66</b>	<b>855,420</b>	<b>41.40</b>	
	OPERATING EXPENSES											
	<b>**UTILITIES</b>											
15101	ELECTRICITY	4,252	51,024	3,911	46,935	3,911	4,337	52,044	7.35	1,020	2.00	
15102	GAS	2,122	25,464	1,714	20,574	1,715	2,164	25,968	3.67	504	1.98	
15103	REFUSE COLLECTION	510	6,120	696	8,349	696	510	6,120	0.86	0	0.00	
15105	TELEPHONE EXPENSE	172	2,064	164	1,971	164	172	2,064	0.29	0	0.00	
15106	WATER	5,865	70,380	5,278	63,341	5,278	5,865	70,380	9.94	0	0.00	
15106R	REIMBURSABLE WATER USAGE	0		0	0	0	23,600	283,200	40.00			
15155	INTERNET EXPENSE	540	6,480	631	7,572	631	540	6,480	0.92	0	0.00	
	<b>**TOTAL UTILITIES</b>	<b>13,461</b>	<b>161,532</b>	<b>12,394</b>	<b>148,742</b>	<b>12,395</b>	<b>37,188</b>	<b>446,256</b>	<b>63.03</b>	<b>284,724</b>	<b>176.26</b>	
	<b>**LAND MAINTENANCE</b>											
15500	CONTRACT LANDSCAPE SERVICE	48,880	586,560	46,990	563,880	46,990	48,880	586,560	82.85	0	0.00	
15511	BACKFLOW DEVICE TEST	744	8,928	877	10,524	877	0	0	0.00	(8,928)	(100.00)	REMOVE
	<b>**TOTAL LAND MAINTENANCE</b>	<b>49,624</b>	<b>595,488</b>	<b>47,867</b>	<b>574,404</b>	<b>47,867</b>	<b>48,880</b>	<b>586,560</b>	<b>82.85</b>	<b>(8,928)</b>	<b>(1.50)</b>	
	<b>**COMMON AREA</b>											
16020	CONTRACT POOL/SPA SERVICE	3,475	41,700	3,425	41,100	3,425	3,475	41,700	5.89	0	0.00	
16022	POOL EQUIPMENT REPAIR	85	1,020	56	667	56	85	1,020	0.14	0	0.00	
16027	POOL INSPECTION	210	2,520	322	3,867	322	210	2,520	0.36	0	0.00	
18457	PLUMBING REPAIR	210	2,520	77	925	77	210	2,520	0.36	0	0.00	
18501	EXPENSES TO BE REIMBURSED	0	0	(548)	(6,570)	(548)	0	0	0.00	0	0.00	
18524	MATERIAL SUPPLIES	1,300	15,600	773	9,270	773	1,300	15,600	2.20	0	0.00	
18526	PEST CONTROL	335	4,020	273	3,272	273	335	4,020	0.57	0	0.00	
18531	JANITORIAL SERVICE	2,657	31,884	2,679	32,150	2,679	2,657	31,884	4.50	0	0.00	
18532	JANITORIAL SUPPLIES	192	2,304	69	831	69	192	2,304	0.33	0	0.00	
18534	FIRE EXTINGUISHER SERVICE	21	252	65	780	65	65	780	0.11	528	209.52	
18544	LIGHT REPAIRS	0	0	30	355	30	0	0	0.00	0	0.00	DELETE
18564	SPECIAL SECURITY	0	0	(11)	(136)	(11)	0	0	0.00	0	0.00	DELETE
18579	PATROL SERVICE	739	8,868	614	7,368	614	700	8,400	1.19	(468)	(5.28)	0
18736	GUTTER & DOWNSPOUT CLEANING	6,250	75,000	10,086	121,033	10,086	9,833	117,996	16.67	42,996	57.33	
18767	REPAIR & MAINTENANCE	3,750	45,000	3,836	46,031	3,836	4,166	49,992	7.06	4,992	11.09	
18771	BACKFLOW DEVICE TEST	0	0	16	192	16	709	8,508	1.20	8,508	0.00	

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18905	KITCHEN SUPPLIES	140	1,680	90	1,084	90	140	1,680	0.24	0	0.00	
18986	FITNESS CONTRACT	85	1,020	88	1,050	88	85	1,020	0.14	0	0.00	
	<b>**TOTAL COMMON AREA</b>	<b>19,449</b>	<b>233,388</b>	<b>21,940</b>	<b>263,269</b>	<b>21,940</b>	<b>24,162</b>	<b>289,944</b>	<b>40.95</b>	<b>56,556</b>	<b>24.23</b>	
	<b>**MANAGEMENT/ON-SITE ADMIN EXP</b>											
17209	PAYROLL PROCESSING FEES	583	6,996	563	6,760	563	583	6,996	0.99	0	0.00	
18001	COMMUNITY WEBSITE	175	2,100	425	5,104	425	200	2,400	0.34	300	14.29	
18003	COMMUNITY EVENTS/PROGRAMS	100	1,200	77	922	77	100	1,200	0.17	0	0.00	
19010	PENDING P-CARD EXPENSE	0	0	(33)	(393)	(33)	0	0	0.00	0	0.00	REMOVE
19101	CPA SERVICES	210	2,520	175	2,105	175	181	2,172	0.31	(348)	(13.81)	
19104	FEDERAL TAX EXPENSE	0	0	14,650	175,800	14,650	0	0	0.00	0	0.00	RESERVES
19105	FRANCHISE TAX BOARD	0	0	3,978	47,734	3,978	0	0	0.00	0	0.00	RESERVES
19106	TAXES & LICENSES	25	300	105	1,260	105	25	300	0.04	0	0.00	0
19108	GENERAL COUNSEL SERVICE	1,167	14,004	4,553	54,631	4,553	1,675	20,100	2.84	6,096	43.53	
19109	CONTRACT MANAGEMENT	8,190	98,280	7,800	93,600	7,800	8,190	98,280	13.88	0	0.00	0
19111	MANAGEMENT REIMBURSABLE	3,334	40,008	3,720	44,634	3,720	3,334	40,008	5.65	0	0.00	
19112	POSTAGE, ON-SITE	21	252	33	399	33	21	252	0.04	0	0.00	
19117	DUES & PUBLICATIONS	100	1,200	50	600	50	100	1,200	0.17	0	0.00	
19119	BANK FEES	35	420	37	440	37	35	420	0.06	0	0.00	
19124	ON-SITE STAFF	16,500	198,000	17,534	210,413	17,534	16,625	199,500	28.18	1,500	0.76	0
19126	DELINQUENCY MONITORING	0	0	(1,210)	(14,524)	(1,210)	0	0	0.00	0	0.00	REMOVE
19132	OPERATING CONTINGENCY	100	1,200	278	3,338	278	100	1,200	0.17	0	0.00	
19143	LEGAL-COLLECTIONS	0	0	354	4,246	354	0	0	0.00	0	0.00	
19172	ACCOUNTING REIMBURSABLES	317	3,804	400	4,798	400	317	3,804	0.54	0	0.00	
19174	AMS COLLECTION EXPENSE	125	1,500	(27)	(319)	(27)	125	1,500	0.21	0	0.00	
19178	PROPERTY TAX	85	1,020	75	899	75	85	1,020	0.14	0	0.00	
19247	PAYROLL TAXES & BENEFITS	7,583	90,996	8,674	104,085	8,674	7,773	93,276	13.17	2,280	2.51	
19295	ON-SITE OFFICE SUPPLIES	125	1,500	292	3,503	292	125	1,500	0.21	0	0.00	
19382	COPIER LEASE	450	5,400	644	7,734	645	645	7,740	1.09	2,340	43.33	
	<b>**TOTAL MANAGEMENT/ON-SITE ADMIN EXP</b>	<b>39,225</b>	<b>470,700</b>	<b>63,147</b>	<b>757,769</b>	<b>63,148</b>	<b>40,239</b>	<b>482,868</b>	<b>68.20</b>	<b>12,168</b>	<b>2.59</b>	
	<b>**INSURANCE</b>											
19107	INSURANCE	16,851	202,212	16,774	201,292	16,774	59,426	713,112	100.72	510,900	252.66	0
DC19307	FLOOD INSURANCE	33,575	402,900	28,100	337,198	28,100	33,575	402,900	56.91	0	0.00	SAME
	<b>**TOTAL INSURANCE</b>	<b>50,426</b>	<b>605,112</b>	<b>44,874</b>	<b>538,490</b>	<b>44,874</b>	<b>93,001</b>	<b>1,116,012</b>	<b>157.63</b>	<b>510,900</b>	<b>84.43</b>	
	<b>**TOTAL OPERATING EXPENSES</b>	<b>172,185</b>	<b>2,066,220</b>	<b>190,222</b>	<b>2,282,674</b>	<b>190,224</b>	<b>243,470</b>	<b>2,921,640</b>	<b>412.66</b>	<b>855,420</b>	<b>41.40</b>	
	<b>NET INCOME/(LOSS)</b>	<b>0</b>	<b>0</b>	<b>(13,611)</b>	<b>(163,337)</b>	<b>(13,614)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	

NEPENTHE ASSOCIATION  
January 1, 2025 - December 31, 2025

**Number Of Units :            590**

	Per Unit	Per Month (rounded)	Per Year (rounded)
<b>INCOME</b>			
<b>MEMBER ASSESSMENT</b>	<b>700.00</b>	<b>413,000</b>	<b>4,956,000</b>
OTHER INCOME	6.69	3,950	47,400
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<b>TOTAL INCOME</b>	<b>706.69</b>	<b>416,950</b>	<b>5,003,400</b>
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<b>RESERVE CONTRIBUTION</b>	<b>294.03</b>	<b>173,480</b>	<b>2,081,760</b>
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<b>OPERATING EXPENSES</b>			
UTILITIES	63.03	37,188	446,256
LAND MAINTENANCE	82.85	48,880	586,560
COMMON AREA	40.95	24,162	289,944
MANAGEMENT/ON-SITE ADMIN EXP	68.20	40,239	482,868
INSURANCE	157.63	93,001	1,116,012
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<b>TOTAL OPERATING EXPENSES</b>	<b>412.66</b>	<b>243,470</b>	<b>2,921,640</b>
<b>TOTAL RESERVE CONTRIBUTION</b>	<b>294.03</b>	<b>173,480</b>	<b>2,081,760</b>
<hr style="border-top: 1px dashed black;"/>			
<b>TOTAL OPERATING &amp; RESERVES</b>	<b>706.69</b>	<b>416,950</b>	<b>5,003,400</b>
<hr style="border-top: 3px double black;"/>			

The complete pro forma operating budget is available at the business office of the association. Copies will be provided to you upon request at the expense of the association.



**RESERVE STUDY**

Member Distribution Materials

**Nepenthe Association**

*Update w/ Site Visit Review*

Final

Published - November 04, 2024

Prepared for the 2025 Fiscal Year

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Professionally managed by  
First Service Residential (Sacramento)  
(916) 608-3068



**Browning Reserve Group, LLC**  
www.BrowningRG.com

November 04, 2024

This is a summary of the Reserve Study that has been performed for Nepenthe Association, (the "Association") which is a Planned Development with a total of 590 Lots. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, LLC prepared this Update w/ Site Visit Review for the January 1, 2025 - December 31, 2025 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 3.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

### **Funding Assessment**

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements. Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Nepenthe Association  
California Member Summary  
Final  
Prepared for the 2025 Fiscal Year

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2024 Fully Funded Balance	2025 Fully Funded Balance	2025 Line Item Contribution based on Cash Flow Method
<b>01000 - Paving</b>	<b>2,811,977</b>	<b>1-15</b>	<b>0-12</b>	<b>1,349,727</b>	<b>1,490,456</b>	<b>114,288</b>
<b>02000 - Concrete</b>	<b>386,593</b>	<b>1-5</b>	<b>0-2</b>	<b>274,885</b>	<b>94,939</b>	<b>27,611</b>
<b>03000 - Painting: Exterior</b>	<b>1,783,902</b>	<b>1-12</b>	<b>0-8</b>	<b>1,075,450</b>	<b>958,514</b>	<b>120,521</b>
<b>03500 - Painting: Interior</b>	<b>34,396</b>	<b>8-10</b>	<b>2-3</b>	<b>24,327</b>	<b>28,589</b>	<b>1,707</b>
<b>04000 - Structural Repairs</b>	<b>14,164,375</b>	<b>1-30</b>	<b>0-26</b>	<b>4,291,749</b>	<b>3,264,005</b>	<b>527,600</b>
<b>05000 - Roofing</b>	<b>27,690,040</b>	<b>1-30</b>	<b>0-25</b>	<b>9,881,198</b>	<b>10,978,863</b>	<b>684,768</b>
<b>08000 - Rehab</b>	<b>381,042</b>	<b>10-30</b>	<b>3-20</b>	<b>188,269</b>	<b>213,973</b>	<b>11,682</b>
<b>12000 - Pool</b>	<b>715,124</b>	<b>1-30</b>	<b>0-20</b>	<b>267,704</b>	<b>308,054</b>	<b>24,769</b>
<b>13000 - Spa</b>	<b>56,569</b>	<b>1-8</b>	<b>0-3</b>	<b>36,767</b>	<b>42,449</b>	<b>4,040</b>
<b>14000 - Recreation</b>	<b>41,261</b>	<b>5-20</b>	<b>2-4</b>	<b>29,034</b>	<b>35,640</b>	<b>2,700</b>
<b>17000 - Tennis Court</b>	<b>208,021</b>	<b>8-30</b>	<b>2-28</b>	<b>51,718</b>	<b>67,695</b>	<b>8,694</b>
<b>18000 - Landscaping</b>	<b>3,068,536</b>	<b>1-12</b>	<b>0-9</b>	<b>1,826,921</b>	<b>1,596,743</b>	<b>412,720</b>
<b>19000 - Fencing</b>	<b>3,039,621</b>	<b>1-25</b>	<b>0-15</b>	<b>2,244,327</b>	<b>1,717,804</b>	<b>78,084</b>
<b>20000 - Lighting</b>	<b>72,794</b>	<b>1-20</b>	<b>0-9</b>	<b>44,126</b>	<b>49,942</b>	<b>9,059</b>
<b>21000 - Signage</b>	<b>186,799</b>	<b>1-25</b>	<b>0-20</b>	<b>92,376</b>	<b>107,061</b>	<b>7,206</b>
<b>22000 - Office Equipment</b>	<b>5,200</b>	<b>4-8</b>	<b>2-4</b>	<b>2,600</b>	<b>3,485</b>	<b>387</b>
<b>23000 - Mechanical Equipment</b>	<b>196,756</b>	<b>12-30</b>	<b>0-1</b>	<b>187,634</b>	<b>181,053</b>	<b>4,817</b>
<b>24000 - Furnishings</b>	<b>16,618</b>	<b>10-15</b>	<b>2-5</b>	<b>12,167</b>	<b>13,914</b>	<b>680</b>
<b>24500 - Audio / Visual</b>	<b>45,000</b>	<b>10-10</b>	<b>6-6</b>	<b>18,000</b>	<b>23,063</b>	<b>2,330</b>
<b>24600 - Safety / Access</b>	<b>79,236</b>	<b>10-10</b>	<b>2-5</b>	<b>56,418</b>	<b>65,950</b>	<b>3,801</b>
<b>25000 - Flooring</b>	<b>56,113</b>	<b>10-20</b>	<b>3-10</b>	<b>24,474</b>	<b>30,387</b>	<b>2,688</b>
<b>26000 - Outdoor Equipment</b>	<b>1,100</b>	<b>10-10</b>	<b>2-2</b>	<b>880</b>	<b>1,015</b>	<b>52</b>
<b>27000 - Appliances</b>	<b>31,411</b>	<b>10-20</b>	<b>3-10</b>	<b>16,667</b>	<b>19,533</b>	<b>1,244</b>
<b>30000 - Miscellaneous</b>	<b>56,674</b>	<b>1-1</b>	<b>0-0</b>	<b>56,674</b>	<b>58,091</b>	<b>25,307</b>
<b>31000 - Reserve Study</b>	<b>6,600</b>	<b>3-3</b>	<b>0-0</b>	<b>6,600</b>	<b>2,255</b>	<b>982</b>
<b>32000 - Undesignated</b>	<b>9,010</b>	<b>1-1</b>	<b>0-0</b>	<b>9,010</b>	<b>9,235</b>	<b>4,023</b>
Totals	<b>\$55,144,771</b>			<b>\$22,069,702</b>	<b>\$21,362,709</b>	<b>\$2,081,760</b>
Estimated Ending Balance				<b>\$9,063,656</b>	<b>\$6,856,731</b>	<b>\$294.03</b>
Percent Funded				<b>41.1%</b>	<b>32.1%</b>	/Lot/month @ 590

November 4, 2024

(1) The regular assessment per ownership interest is \$700.00 per month for the fiscal year beginning January 1, 2025.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_ of the attached summary.*

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_ of the attached report.*

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes  No

*This disclosure has been prepared by Browning Reserve Group, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.*

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$22,069,702, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, LLC as of October, 2024. The projected reserve fund cash balance at the end of the current fiscal year is \$9,063,656 resulting in reserves being 41.1% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

*An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2025	\$21,362,709	\$6,856,731	32.1%
2026	\$20,873,440	\$5,438,010	26.1%
2027	\$20,854,394	\$5,469,178	26.2%
2028	\$22,593,326	\$6,757,414	29.9%
2029	\$25,435,318	\$6,658,459	26.2%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 2.10% per year was the assumed long-term interest rate.

**Additional Disclosures**

**§5565(d)** The current deficiency in reserve funding as of December 31, 2025 is \$24,586 per ownership interest (average).

*This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.*

$$\text{Deficiency} = \frac{\text{2025 Fully Funded Balance} - \text{2025 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

**§5300(b)(4)** The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

**§5300(b)(5)** The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

**30 Year Reserve Funding Plan Cash Flow Method**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Beginning Balance</b>	10,905,489	9,063,656	6,856,731	5,438,010	5,469,178	6,757,414	6,658,459	7,103,561	7,984,674	8,879,816
<b>Inflated Expenditures @ 2.5%</b>	4,420,099	4,454,112	3,769,794	2,456,674	1,374,781	2,946,775	2,590,487	2,364,954	2,579,452	2,300,756
<b>Reserve Contribution</b>	2,370,768	2,081,760 <sup>1</sup>	2,223,320	2,374,506	2,535,972	2,708,418	2,892,590	3,089,286	3,299,357	3,523,713
<i>Lots/month @ 590</i>	334.85	294.03	314.03	335.38	358.19	382.54	408.56	436.34	466.01	497.70
<i>Percentage Increase</i>		-12.2%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest After Tax @ 2.10%</b>	207,497	165,427	127,753	113,335	127,045	139,403	143,000	156,780	175,237	199,317
<b>Ending Balance</b>	9,063,656	6,856,731	5,438,010	5,469,178	6,757,414	6,658,459	7,103,561	7,984,674	8,879,816	10,302,090

1) 2025 Reserve contribution from association, not BRG. Tax payments, based on interest earnings, are being deducted from reserves per the CPA recommendation. IR in study is set to 3%, with a 30% deduction for taxes, leaving a net rate at 2.1%. The funding threshold is \$5M and the rate of contribution increase is 6.8% per year starting in 2026.

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>Beginning Balance</b>	10,302,090	11,013,085	10,985,371	10,204,783	11,559,897	13,954,496	16,643,676	15,686,840	16,353,539	15,929,632
<b>Inflated Expenditures @ 2.5%</b>	3,273,814	4,275,528	5,293,312	3,455,472	2,766,691	2,857,876	6,877,471	5,630,682	7,129,393	5,727,468
<b>Reserve Contribution</b>	3,763,325	4,019,231	4,292,539	4,584,432	4,896,173	5,229,113	5,584,693	5,964,452	6,370,035	6,803,197
<i>Lots/month @ 590</i>	531.54	567.69	606.29	647.52	691.55	738.58	788.80	842.44	899.72	960.90
<i>Percentage Increase</i>	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest After Tax @ 2.10%</b>	221,484	228,584	220,185	226,155	265,117	317,942	335,943	332,928	335,451	345,817
<b>Ending Balance</b>	11,013,085	10,985,371	10,204,783	11,559,897	13,954,496	16,643,676	15,686,840	16,353,539	15,929,632	17,351,179

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
<b>Beginning Balance</b>	17,351,179	13,567,877	15,556,670	13,970,205	10,395,428	5,709,850	7,745,903	9,942,979	16,855,983	26,035,786
<b>Inflated Expenditures @ 2.5%</b>	11,370,392	6,073,726	10,180,837	12,679,073	14,305,917	8,199,559	8,769,036	4,880,965	3,564,441	2,478,589
<b>Reserve Contribution</b>	7,265,814	7,759,889	8,287,561	8,851,115	9,452,991	10,095,794	10,782,308	11,515,505	12,298,559	13,134,861
<i>Lots/month @ 590</i>	1,026.24	1,096.03	1,170.56	1,250.16	1,335.17	1,425.96	1,522.92	1,626.48	1,737.08	1,855.21
<i>Percentage Increase</i>	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest After Tax @ 2.10%</b>	321,277	302,630	306,811	253,181	167,348	139,817	183,803	278,465	445,684	658,642
<b>Ending Balance</b>	13,567,877	15,556,670	13,970,205	10,395,428	5,709,850	7,745,903	9,942,979	16,855,983	26,035,786	37,350,700

# NEPENTHE ASSOCIATION

## DELINQUENT ASSESSMENT COLLECTION POLICY

Effective: JANUARY 2025

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our Association. Your Board of Directors takes very seriously its obligation under the CC&R's and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent, and effective manner. Therefore, pursuant to the CC&R's and Civil Code, the following are the Association's assessment collection practices and policies:

- Regular monthly assessments are due and payable on the 1<sup>st</sup> day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.
- All other assessments, including, but not limited to, Special Assessments, Reimbursement Assessments, Reconstruction Assessments, and Capital Improvement Assessments are due and payable on the date specified by the Board in the notice of assessment.
- Regular monthly assessments and all other assessments (as defined in Paragraph 2) are collectively referred to herein as "Assessments".
- Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the Assessment or other sums are levied.
- Unpaid Assessments are delinquent 15 days after they are due.
- A late charge of \$10.00 or 10%, whichever is greater, will be charged for any Assessment that is not received on or before the 15th day of the month, prior to the close of business.
- Interest on the balance due will accrue at a rate not to exceed 12% per annum; commencing thirty (30) days after the Assessment becomes due.
- At fifteen (15) days past due, the association may invite owner(s) to a hearing for the purpose of revoking membership privileges. Those privileges can include access to common areas or facilities, and/or services paid for by the association.
- When an Assessment becomes more than sixty (60) days past due, the Association will send a validation notice to the billing address on record with the association. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the notice. If an owner writes to dispute the amount owed or to request "original creditor" information within the validation period set forth in the notice, then the Association will cease collection of the debt, or any disputed portion of the debt, until the Association responds appropriately as required by law (see applicable consumer protection laws).
- When an Assessment becomes more than ninety-five (95) days past due, the Association will send an intent to lien/pre-lien letter to each owner, as required by the Civil Code, by certified mail to the owner's address of record. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the letters

## NEPENTHE ASSOCIATION

- If the owner fails to pay the amounts set forth in the intent to lien/pre-lien letter within 30 days of receipt of that letter, a lien for the amount of any delinquent Assessments, late charges, interest and/or costs of collection, including attorneys' fees, may be recorded against the owner's property. The owner will be charged a fee for the lien, as well as any processing fees, recording service, and costs. A copy of the lien will be sent to each owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law.
  - Prior to the recording of a Board authorized lien for delinquent Assessments, an owner that is delinquent has the right to participate in internal dispute resolution ("IDR") pursuant to the "meet and confer" program in accordance with California Civil Code. Prior to recording a lien, the Board of Directors will approve such action by a majority vote of the Board of Directors.
  - Upon receipt of payment in full, that includes any late fees, interest, collection costs and/or attorneys' fees, a Release of Lien will be recorded. Copies of the Release of Lien will be sent to all owners of record. The owner will be charged a fee for the release, as well as any processing fees, recording service, and costs. All county recording fees are charged as applicable and as counties may charge from time to time.
- If an owner is delinquent for thirty (30) additional days after the Notice of Delinquent Assessment (Lien) has been recorded, the Assessment collection matter will be referred to the Association's attorney or collection agent, and the lien may be enforced by judicial or non-judicial foreclosure sale, or by money judgment at the Association's option. An actual foreclosure sale of an owner's property will not be conducted unless or until either; (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and/or fees; or (b) the assessments are delinquent for more than twelve (12) months. [You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs, including attorneys' fees, if a foreclosure action is commenced against your property.] The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the Minutes of the next open session Meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the Minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent owners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
- Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.
- The Association will charge a processing fee to the owner for a returned check.
- Any owner who is unable to pay Assessments will be entitled to submit a written request for a payment plan to be considered by the Board of Directors. The Board of Directors is not required to approve a payment plan. If a payment plan is approved, the Board of Directors may establish the terms of the payment plan. A payment plan request or approved payment plan will not impede the Board's ability to vote for and record a lien.

## **NEPENTHE ASSOCIATION**

- The mailing address for overnight payment of assessments is:

FirstService Residential California, LLC  
15241 Laguna Canyon Rd  
Irvine, CA 92618

### **NOTICE ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

### **ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

## **NEPENTHE ASSOCIATION**

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

### **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code).

### **ASSIGNMENT OF RENTS**

In the event that the Association files any action against an Owner for unpaid Assessments on Owner's Unit, and said Unit is or becomes rented or leased at any time during the pendency of the action, the Association shall have the right, upon ex parte notice and application, to request that the Court order Owner to assign all rents due from the renter/lessor of said Unit to the Association until such time as all Assessment delinquencies are cured.

### **ALTERNATIVE DISPUTE RESOLUTION**

5925. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making

## NEPENTHE ASSOCIATION

process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this title.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents of a common interest development.

5930. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in the Code of Civil.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935. (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following

## **NEPENTHE ASSOCIATION**

conditions is satisfied:

- (1) Alternative dispute resolution has been completed in compliance with this article.
- (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
- (3) Preliminary or temporary injunctive relief is necessary.
- (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

5960. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

### **INTERNAL DISPUTE RESOLUTION**

5915. Statutory Dispute Resolution Procedure

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

## **NEPENTHE ASSOCIATION**

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- (d) A member of the association may not be charged a fee to participate in the process.

# *Dispute Resolution Procedures: Alternative Dispute Resolution and Internal Dispute Resolution*

## **ALTERNATIVE DISPUTE RESOLUTION**

**5925.** As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this title.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the governing documents of a common interest development.

**5930.** (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in the Code of Civil.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

**5935.** (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

**5940.** (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

**5945.** If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

**5950.** (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the

court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

**5955.** (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

**5960.** In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

**5965.** (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

## **INTERNAL DISPUTE RESOLUTION**

### **5915. Statutory Dispute Resolution Procedure**

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

(d) A member of the association may not be charged a fee to participate in the process.



# **Nepenthe Association**

## **Enforcement Policy and Schedule of Fines**

### **[Adopted September 2, 2020]**

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

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

#### 2. Enforcement Policy

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

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

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

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

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

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

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

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

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

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

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

(iv) Steps toward legal action.

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

(i) Courtesy notification letters / notice of violation.

(ii) Institution of legal proceedings.

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

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

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

D. Violations that require maintenance or repairs.

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

(i) Perform the maintenance or repairs.

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

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

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

### 3. Schedule of Fines

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

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

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

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

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

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

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

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

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

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

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

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



### **The Architectural Process (See also the CC&Rs, Article IV)**

If you wish to make any exterior changes to your unit that are visible to the community, impact the siding on your home or interior changes that impact the roof, you must receive approval from the Architectural Review Committee (ARC) and the Board of Directors.

#### **Procedure:**

##### ***If you are going to follow the criteria exactly:***

1. Review the criteria for the improvement you are requesting.
2. Complete the application form(s) and attach all required information.
3. Submit the application form and required documents to the Nepenthe Office.

##### ***If you want to do something outside the current criteria or if your improvement is not addressed in the criteria:***

1. Review the criteria for the improvement you are requesting.
2. Consider meeting with a member of the ARC if you would like assistance in understanding what it is the Committee will consider for non-standard changes.
2. Submit detailed information with the application form
3. Attend an ARC meeting to present your plans.

#### **Approval:**

1. For certain basic changes (such as a replacement garage door according to criteria), the office may be able to approve your application.
2. ARC will review your project and make a recommendation to the Board of Directors.
3. Final approval is provided by the Board of Directors. *The Board of Directors has allowed certain improvements to begin based on the ARC approval prior to the formal Board consent. The Nepenthe Office is aware of these exceptions.*
4. You may not begin work until you receive approval in writing from the Nepenthe office.

#### **Denial:**

Should the ARC deny your application, you may request a direct review of your application by the Board of Directors. Contact the Nepenthe office to request a Board review.

If the homeowner disregards the ARC directions without Board approval, the Board may levy a Special Individual Assessment against the owner and require the work to be corrected.

#### **After Completion:**

After you have completed the approved work, you must notify the Nepenthe office. In certain cases, you must have a completion inspection. These cases are identified on the application form.

#### **Time Frame:**

Article IV of the Nepenthe CC&Rs describes in detail the procedures and timeframes for architectural improvements or modifications requested by the owner. In general, once a complete application has been filed with the ARC, the ARC should make a recommendation of approval or denial that should be included on the next Board meeting agenda.

When an approval has been granted, the owner has one year in which to start the improvement or mediation. The work should be completed within one year from when work commenced.

**Nepenthe Association**  
**INSURANCE SUMMARY DISCLOSURE**

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

**I. GENERAL LIABILITY INSURANCE**

- A. Name of Insurer: Lexington Insurance Company
- B. Policy Limits: \$1,000,000 per occurrence; \$2,000,000 aggregate
- C. Amount of Deductible (if any): \$0
- D. Umbrella coverage, if applicable: \$10,000,000
- E. Umbrella carrier: Federal Insurance Company
- F. Policy dates: 10/1/2024 - 10/1/2025

**II. PROPERTY INSURANCE**

- A. Name of Insurer: Great American Risk Solutions Surplus Lines Insurance Company
- B. Policy Limits: \$159,332,115
- C. Amount of Deductible: \$100,000
- D. Policy dates: 10/1/2024 - 10/1/2025

**II. EARTHQUAKE INSURANCE**

- A. Name of Insurer: None
- B. Policy Limits:
- C. Amount of Deductible:
- D. Policy dates:

**III. FLOOD INSURANCE**

- A. Name of Insurer: None
- B. Policy Limits:
- C. Amount of Deductible:
- D. Policy dates:

**IV. FIDELITY BOND INSURANCE**

- A. Name of Insurer: PMA Insurance Group / Manufacturers Alliance Insurance / Hartford Fire Insurance Company
- B. Policy Limits: \$15,400,000
- C. Amount of Deductible: \$2,500
- D. Policy dates: 10/1/2024 - 10/1/2025

**This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.**

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

## Federal Housing Administration Certification Disclosure

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development [ is is not ] a condominium project. The association of this common interest development [ is is not ] certified by the Federal Housing Administration.

This information regarding the association's Federal Housing Administration certification status is as of (November 4, 2024).

For current information, please visit the Federal Housing Administration website at: <https://entp.hud.gov/idapp/html/condlook.cfm>



FirstService Residential California  
 15421 Laguna Canyon Road  
 Irvine, CA 92618  
 (800) 428-5588

**Billing Disclosure Form** - *Provided as required by Section 4525\**

*Effective 1/1/2025*

**THIS IS NOT AN INVOICE:** This form is being provided as required by California Civil Code §4530 and is not intended to be utilized as a total amount due on any specific resale transaction.

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase all of the documents listed on this form.

**Account Information:**

Association:  
 Property Address:

Owner of Property:  
 Owner's Mailing Address:

**Provider of §4525 Items:**

Print Name:  
 Position/Title:  
 Date Completed:

**Not Available (N/A), Not Applicable N/App), OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)**

		<b>Fee For Document</b>	
Articles of incorporation or statement that not incorporation	Section 4525(a)(1)	\$57.00	
CC&Rs	Section 4525(a)(1)	\$65.00	
Bylaws	Section 4525 (a)(1)	\$57.00	
Operating Rules	Section 4525 (a)(1)	\$41.00	
Age restrictions, if any	Section 4525 (a)(2)	\$0.00	(Included in CC&Rs)
Rental restrictions, if any	Section 4525 (a)(9)	\$0.00	(Included in CC&Rs)
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$57.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0.00	(Included in Budget)
Financial statement review	Sections 5305 and 4525(a)(3)	\$57.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$0.00	(Included in Budget)
Insurance summary	Sections 5300 and 4525(a)(3)	\$0.00	(Included in Budget)
Regular assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Special assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Emergency assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Other unpaid obligations of the seller	Sections 5675 and 4525(a)(4)	\$0.00	(Included in Statement)
Approved changes to assessments	Sections 5300 & 4525(a)(4), (8)	\$0.00	(Included in Budget)
Settlement notice regarding common area defects	Sections 4525(a)(6), (7) & 6100		See disclosure if applicable
Preliminary list of defects	Section 4525(a)(6), 6000 and 6100		See disclosure if applicable
Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0.00	(Included in Statement)
Required statement of fees	Section 4525	\$0.00	(Included in Statement)



FirstService Residential California  
15421 Laguna Canyon Road  
Irvine, CA 92618  
(800) 428-5588

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**Billing Disclosure Form** - *Provided as required by Section 4525\**

*Effective 1/1/2025*

Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$115.00
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**TOTAL FEES for these documents:** **\$449.00 DO NOT PAY**

\*The Information provided in this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. The documents listed on this form are the property of the Association, and not FirstService Residential. Please visit [www.fsresidential.com/california](http://www.fsresidential.com/california), click Order Documents & Certifications in the upper left-hand corner, and follow the instructions to download a full list of fees and services.

## Veterans Affairs Certification Disclosure

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development [ is is not ] a condominium project. The association of this common interest development [ is is not ] certified by the federal Department of Veterans Affairs.

This information regarding the association's Veterans Affairs certification status is as of (November 4, 2024).

For current information, please visit the U.S. Department of Veterans Affairs website at: <https://lgy.va.gov/lgyhub/condo-report>