

**AGENDA**  
**Esprit Board of Directors Meeting**  
**November 12, 2019 9:30 AM**  
**1111 Tahquitz Canyon Way #120**  
**Palm Springs, CA 92262**

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- I. Call to Order**
- II. Approval of Minutes**
  - a. October 2019 Board Meeting Minutes (1)
- III. President's Report**
- IV. Treasurer's Report**
  - Lien
- V. Management Report and Maintenance Reports**
  - Rules and regs
- VI. Committee reports**
  - Landscaping report
- VII. Business:**
  - a. Turf conversion update
  - b. Reserve study (2)
  - c. Budget (3)
  - d. Carport damage update
  - e. Election rules (4-6)
  - f. Gate charges (7)
- VIII. Correspondence: (8)**
- IX. Open Forum**

All persons must follow the Meeting Rules stated at the bottom of this Agenda.
- X. Next meeting date January 28, at 9:30 am and annual meeting Feb 22 2020 at 11 am courtyard**
- XI. Adjourn**

**EXECUTIVE MEETING TO FOLLOW TO DISCUSS THE FOLLOWING: Homeowner violation and vendor's.**

Open Forum. During open forum, each attendee may address the board for up to three minutes. A director may briefly respond to statements made or questions posed. Speakers must observe rules of decorum and not engage in obscene gestures, shouting, profanity or other disruptive behavior. If a speaker is in the middle of a sentence when time is called, he/she may finish their thought before sitting down. The time guidelines ensure that others will have an opportunity to speak. Speakers may not allot their time to others. No audio or video recording allowed by attendees. However, the Secretary may record the meeting to aid in the preparation of minutes. The recording is deleted once the minutes have been prepared. As provided in the "Open Meeting Act", members may observe the meeting but do not have the right to participate in the Board's deliberations or votes. Members may address issues during the Open Forum portion of the meeting. Attendees may not engage in obscene gestures, shouting, profanity or other disruptive behavior. If attendees become disruptive, they may be expelled from the meeting and fined.

Esprit Homeowners Association  
Board meeting at 1111 Tahquitz Canyon Way #120  
October 29, 2019 at 9:30

**CALL TO ORDER:** Meeting was called to order at 9:33 by President, Julie Ridding. Other Directors present, Vice-President Louise Bleier, Secretary, Remedios Hines, Eric Taylor and Treasurer Teresa Lepard. Others present manager Cindy Anderson and 3 owners.

**APPROVAL OF MINUTES:** A motion was duly made, seconded and approved the minutes with changes for September 2019 and the exec minutes.

**PRESIDENT'S REPORT:** We have reach an agreement with the land lease. The extension will be for 34 years. It will cost at the least \$3,000 but could be more and monthly payments should be about \$195. It will also cost \$500 to review for each owner at the beginning. When you sell the transfer fee will cost each seller approx. 1% of sales price. They will waive fees for 9 months for refi's only.

**TREASURER'S REPORT:** Budget is on target. Electrical expenses and gas are over budget but water is within budget. A motion was duly made, seconded and approved lien for 009-611-480

**Management and Maintenance Report:** Board reviewed both reports and discussed seepage issues again at building D this has been delay until the 29<sup>th</sup>. #1 spa needs to be acid washed at a price of \$300, management will proceed.

**Committee reports:**

**Landscaping:** Landscaping will continue to work on irrigation. A motion was duly made, seconded and approve \$684.90 to replace two valves.

**Business:**

**Turf conversion:** Cindy will walk with board and other location to add gravel and remove small grass areas.

**Budget:** Tabled

**Reserve Study:** Tabled

**Carport damage:** The insurance company has paid and we have ordered the materials.

**Audit:** Beck and company supplied bid for this years tax returns and audit in the amount of \$1900. A motion was duly made, seconded and approved.

**Open Forum:** Pets, lease, plants and spa timer.

Next meeting date will be November 12<sup>th</sup> at 9:30 at 1111 E Tahquitz Canyon Way #120, Palm Springs, CA.

Business completed and meeting adjourned 10:55

# Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending December 31, 2020

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is \$ \_\_\_\_\_ per month, of which approximately \$74.17 is allocated to reserves, monthly.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. NOT APPLICABLE*

(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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year.	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. NOT APPLICABLE*

(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   X      No   X  

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

*\*Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data 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 thirty (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 thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God 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.*

(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(s) will be due:	Amount per ownership interest per month:
4.32% starting in 2021 for 29 years	(Current amount) X (the increases)

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,072,115.08, as of December 31, 2020, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is \$607,990.16, resulting in reserves being 56.71% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is \$46,094. (See explanation below).

**Explanation: Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed 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.**



ESPRIT PALM SPRINGS HOA						
ANNUAL BUDGET						
JANUARY 1 - DECEMBER 31, 2020						
PROPOSED						
		MONTHLY	ANNUALLY	2020	2019	
INCOME:		PER UNIT	PER UNIT	BUDGET	BUDGET	
ASSOCIATION FEES		\$305.00	\$3,660.00	\$439,200.00	\$439,200.00	
LATE CHARGES		\$0.56	\$6.67	\$800.00	\$600.00	
INTEREST		\$3.47	\$41.67	\$5,000.00	\$3,500.00	
ENTRY DEVICES		\$0.52	\$6.25	\$750.00	\$850.00	
FINES		\$0.00	\$0.00	\$0.00	\$0.00	
OTHER INCOME		\$0.35	\$4.17	\$500.00	\$1,200.00	
TOTAL INCOME		\$309.90	\$3,718.75	\$446,250.00	\$445,350.00	
LESS: RESERVE ALLOCATION		\$74.17	\$890.00	\$106,800.00	\$106,800.00	
LESS: RESERVE INTEREST		\$3.47	\$41.67	\$5,000.00	\$3,500.00	
NET OPERATING INCOME		\$232.26	\$2,787.08	\$334,450.00	\$335,050.00	
EXPENSE:						
ADMINISTRATIVE:						
INSURANCE: GENERAL		\$12.33	\$148.00	\$17,760.00	\$17,300.00	
PROPERTY MANAGEMENT CONTRACT		\$10.00	\$120.00	\$14,400.00	\$14,400.00	
BOARD EXPENSE		\$0.17	\$2.08	\$250.00	\$500.00	
COLLECTION COSTS		\$0.00	\$0.00	\$0.00	\$250.00	
PERMITS & FEES		\$1.94	\$23.33	\$2,800.00	\$2,800.00	
POSTAGE & PRINTING		\$2.08	\$25.00	\$3,000.00	\$3,500.00	
ENTRY DEVICES		\$0.35	\$4.17	\$500.00	\$500.00	
PROFESSIONAL FEES: ACCOUNTING		\$5.46	\$65.50	\$7,860.00	\$7,500.00	
AUDIT FEES		\$1.28	\$15.42	\$1,850.00	\$1,850.00	
RESERVE STUDY		\$0.35	\$4.17	\$500.00	\$500.00	
PROFESSIONAL FEES: LEGAL		\$2.78	\$33.33	\$4,000.00	\$3,000.00	
LEASE NEGOTIATIONS		\$2.78	\$33.33	\$4,000.00	\$2,500.00	
INCOME TAXES		\$0.28	\$3.33	\$400.00	\$600.00	
MISCELLANEOUS		\$0.56	\$6.67	\$800.00	\$600.00	
BAD DEBT WRITE-OFF		\$0.00	\$0.00	\$0.00	\$0.00	
CONTINGENCY		\$1.13	\$13.58	\$1,630.00	\$710.00	
TOTAL ADMINISTRATIVE		\$41.49	\$497.92	\$59,750.00	\$56,510.00	
COMMON AREA MAINTENANCE:						
ENTERGATE PHONE		\$1.15	\$13.75	\$1,650.00	\$1,640.00	
GATE REPAIRS		\$1.39	\$16.67	\$2,000.00	\$2,000.00	
ELECTRICAL REPAIRS		\$2.50	\$30.00	\$3,600.00	\$3,600.00	
HANDYMAN LABOR		\$11.11	\$133.33	\$16,000.00	\$16,000.00	
PLUMBING REPAIRS		\$4.17	\$50.00	\$6,000.00	\$6,000.00	
BUILDING REPAIRS		\$0.69	\$8.33	\$1,000.00	\$1,000.00	
PAINTING		\$0.69	\$8.33	\$1,000.00	\$1,000.00	
ROOF REPAIRS		\$4.17	\$50.00	\$6,000.00	\$6,000.00	
GROUNDS MISCELLANEOUS		\$2.78	\$33.33	\$4,000.00	\$4,000.00	
PEST CONTROL		\$3.33	\$40.00	\$4,800.00	\$5,000.00	
TOTAL COMMON AREA MAINTENANCE		\$31.98	\$383.75	\$46,050.00	\$46,240.00	
LANDSCAPE MAINTENANCE:						
LANDSCAPE CONTRACT		\$62.50	\$750.00	\$90,000.00	\$92,700.00	
LANDSCAPE EXTRAS		\$2.08	\$25.00	\$3,000.00	\$3,000.00	
PLANT REPLACEMENTS		\$3.47	\$41.67	\$5,000.00	\$5,000.00	
FLOWERS		\$0.00	\$0.00	\$0.00	\$0.00	
IRRIGATION REPAIRS		\$3.47	\$41.67	\$5,000.00	\$10,000.00	
TREE TRIMMING/PRUNING		\$5.76	\$69.17	\$8,300.00	\$6,000.00	
TOTAL LANDSCAPE MAINTENANCE		\$77.29	\$927.50	\$111,300.00	\$116,700.00	
POOL AND SPA MAINTENANCE:						
POOL & SPA CONTRACT		\$9.58	\$115.00	\$13,800.00	\$14,100.00	
POOL & SPA REPAIRS AND EXTRAS		\$6.25	\$75.00	\$9,000.00	\$7,000.00	
POOL AND SPA TOTAL		\$15.83	\$190.00	\$22,800.00	\$21,100.00	
UTILITIES:						
ELECTRICITY		\$17.36	\$208.33	\$25,000.00	\$27,000.00	
GAS		\$16.67	\$200.00	\$24,000.00	\$22,000.00	
REFUSE		\$7.33	\$87.92	\$10,550.00	\$10,500.00	
WATER		\$24.31	\$291.67	\$35,000.00	\$35,000.00	
TOTAL UTILITIES		\$65.66	\$787.92	\$94,550.00	\$94,500.00	
TOTAL EXPENSES		\$232.26	\$2,787.08	\$334,450.00	\$335,050.00	
TOTAL NET OPERATING INCOME		\$0.00	\$0.00	\$0.00	\$0.00	



ELECTION SERVICES

OFFICE 760.323.7475  
CELL 951.830.5000  
FAX 760.323.8763

October 31, 2019

Esprit Homeowners Association  
c/o Cindy Anderson

Dear Board of Directors,

NLB Consulting is uniquely qualified to serve as your Inspector of Elections. Our personnel have many years of experience exclusively with elections for homeowners' associations in the Coachella Valley. On our staff, we have two full time Notaries Public to serve as Inspectors of Election and a staff able to act in support positions. Over the years, we have worked with many law firms in the Coachella Valley in helping our clients fulfill all requirements of the Davis-Stirling Common Interest Development Act. The requirements of SB 323 specify that ballots be mailed, or hand delivered to a location designated by the inspector, and that a receipt for delivery be provided upon request (Civil Code Section 5100). Our office is conveniently located near downtown Palm Springs on Tahquitz Canyon Way, and we will collect ballots there prior to the election and store the ballots after the election until the time allowed by law for challenging the election has expired. As Inspector of Elections, we will resolve any issues that arise with the election process or the results.

As Inspectors of Elections, NLB Consulting will:

- ✓ Ensure the Association has new Election Rules in place that conform to SB 323
- ✓ 90-days ahead of the Annual meeting: Send out a general notice (self-nomination from) that includes the procedure and deadline for submitting a nomination at least thirty (30) days before the nomination deadline
- ✓ 60-days ahead of the Annual meeting: Send out another general notice that includes the physical address and deadline for the return of ballots, the date, time and location of the meeting at which ballots will be counted and the list of all candidates' names that will appear on the ballot
- ✓ 30-days ahead of the Annual meeting: Send out the Notice of Annual Meeting, Election Rules, the ballot and 2 envelopes
- ✓ Receive all ballots at the offices of NLB Consulting
- ✓ Keep all ballots, Envelope #2's, Candidate Registration lists and Voter lists until after the time period for challenges
- ✓ Register receipt of all envelopes, fulfilling quorum requirement
- ✓ Register all persons attending the meeting
- ✓ Open, count and tabulate all ballots at a duly noticed open meeting after the cessation of voting
- ✓ Resolve all challenges and questions resulting from the election
- ✓ Prepare formal election report for distribution to all members

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OFFICE 760.323.7475  
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## INDEMNIFICATION

Indemnification by Association: Except for (1) any breach of this Agreement by NLB Consulting, (2) any act of NLB Consulting which is not authorized by the Association, and (3) any act of NLB Consulting and/or its employees which would constitute gross negligence or willful misconduct, Association agrees to indemnify, hold harmless and defend at its own cost and expense any and all claims or liabilities arising out of the performance of NLB Consulting, its employees, agents, or representatives under this Agreement which was in any way caused as a result of NLB Consulting's implementation of the decisions, directives, policies or procedures set forth by the Board of Directors. This indemnity shall include any and all judgements, attorney's fees, liabilities and costs incurred by NLB Consulting in defending or settling any covered actions against it but would not cover any act of NLB Consulting, its employees, agents or representatives which would constitute gross negligence or willful misconduct.

Indemnification by NLB Consulting: NLB Consulting, and its directors, and officers, hereby agree to indemnify, defend, protect, and hold harmless Association and its members, directors, officers, employees, agents, contractors, attorneys (hereinafter, collectively, "the Association indemnitees"), and each of them, from and against any and all claims, actions, demands, lawsuits, causes of action, expenses (including attorneys' fees and court costs), liabilities, interests (hereinafter, collectively, "the claims") which any of the Association indemnitees may suffer and which result from, arise out of, or are in any way connected with any of the following: (1) any breach of this Agreement by NLB Consulting; (2) any act of NLB Consulting which is not authorized by the Association; and (3) any act of NLB Consulting and/or its employees which would constitute gross negligence or willful misconduct.

## INSURANCE

NLB Consulting Insurance: NLB Consulting shall, throughout the term of this contract, and at NLB Consulting's expense, maintain the following insurance coverage: commercial general liability coverage, completed operations, blanket contractual and personal injury coverage, with combined single limits of \$1,000,000 property damage and liability; Workers' Compensation insurance policy in the statutory amount, covering any of NLB Consulting's employees.

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ELECTION SERVICES

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FAX 760.323.8763

The charge for NLB Consulting to provide all the services listed above and to perform any other duties required to execute the position of Inspector of Elections is \$700.00 plus normal copying and mailing costs.

**AGREEMENT**

This agreement is effective for the Annual Membership Meeting and may be renewed annually if agreed on by both parties.

NLB Consulting

ESPRIT  
HOMEOWNERS ASSOCIATION

By: Lee Bothe  
Lee Bothe

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

SCHEDULE OF SERVICE AND SUPPLY RATES  
(Effective October 30, 2019)

SUPPLIES

Photocopies / Scans (per page)	\$0.15
Envelope: Regular or Window (#11)	\$0.10
Envelope: Regular or Window (#10)	\$0.10
Envelope: Regular or Window (#9)	\$0.10
Envelope: Return or Payment (#6)	\$0.10
Envelope: Manila (all sizes)	\$0.25

SERVICES

Fax (send or receive per page)	\$1.00
E-mail documents / file	\$5.00
Telephone	actual cost
Postage	actual cost
Overnight Shipment	actual cost

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From: **Amanda** amanda@pattondoorgate.com  
Subject: Programming  
Date: October 25, 2019 at 8:58 AM  
To: CANDERSON@MEHILL.COM  
Cc: MEHILL@MEHILL.COM, AJ Johns aj@pattondoorgate.com

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Starting December 1<sup>st</sup>, 2019 Patton Door & Gate will be charging a \$25.00 programming fee for each individual edit that needs to be updated on the directory. This will include 1 transaction report per month upon request. More than one transaction report a month will be an additional \$25.00 per report. We will send an invoice once a month for all edits. Please allow 8 hours for all updates to take place during business hours (Monday – Friday 7:00am to 4:00pm). After hour requests will take place the following day.

Thank you,

*Amanda Bullen*

**PATTON**



**DOOR & GATE**

**760-320-0788**

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**Esprit Homeowners Association**  
c/o Maryellen Hill & Associates

**November 7, 2019**

**Robert Kay**  
2700 Golf Club Drive #67  
Palm Springs, CA 92264

**Re: CC&R and Rules and Regulations Reminder: 2700 Golf Club Drive #67**

**Mr. Kay,**

Ownership in a common interest development offers many advantages; however, at the same time, imposes some restrictions. These guidelines are not meant as an inconvenience or invasion of your personal freedom, but rather as a way of maintaining harmony and aesthetic continuity within your community.

Recently, it was observed that your unit is in need of certain corrective action so that it is in conformance with the current guidelines of the Association.

Please note that the item below must be rectified immediately. If not discontinued the board of director will hold a hearing and then will proceed with other remedies to correct this violation.

**Violation: The reason for the violation is for incorrect parking. Your vehicle is being parked incorrectly and is crossing the line over into the next spot that then is unusable, this is a violation of the HOA and needs to be stopped immediately or the vehicle will be towed the next time it is parked this way.**

The Board of Directors would appreciate your rectifying this situation so as to be in conformance with the current statutes. Your fellow neighbors will appreciate your efforts as a member of Esprit Homeowners Association by assisting in the process of making your community the best it can be. Should you have any questions on this matter, please contact us at (760) 320-5033 EXT. 225.

If you have received this letter in error or the above corrections have already been made, please disregard this notice.

Thanking you in advance for your assistance in this matter.

Sincerely,

**Cindy Anderson**  
Maryellen Hill & Associates

**Esprit Homeowners Association Board Directors**

cc: Board of Directors  
Mailing address  
File

*1111 Tahquitz Canyon Way, Suite 120 Palm Springs, California 92262  
Telephone (760) 320-5033 Fax (760) 322-2168*