

FIELDSTONE OWNERS ASSOCIATION  
Board of Directors Meeting Agenda  
**October 20, 2023 at 12:00pm**

---

- **PHYSICAL MEETING LOCATION:** Fieldstone Pool/BBQ Area  
**ZOOM DETAILS:** Meeting ID: 882 9031 5573 Passcode: 726579
- <https://us02web.zoom.us/j/88290315573?pwd=ZWZXaEZrT0RsK1dadEYrVlxeU1LQT09>  
One tap mobile +16699006833,,88290315573#,,,,\*726579#  
Dial by phone +1 669 900 6833 Meeting ID: 882 9031 5573 Passcode: 726579

#### **AGENDA**

- **Meeting Called to Order**
- **Board Attendance**

#### **OPEN FORUM**

- This is an opportunity for owners to comment or ask questions.

#### **BOARD ACTIONS**

- **2024 Budget** – the board will consider the attached budget for approval, which includes an 8% increase in monthly dues.
- **2024 Special Assessment** – the board will consider adding a \$1,500-\$2,000 per unit special assessment to the February 2024 ballot for a member vote. The purpose of the special assessment is to replenish the Reserve Fund.
- **Expenses** - The board will consider approving the following **expenses:**
  1. \$50 for the October social committee event.
  2. \$21.38 for bathroom cleaning supplies.
  3. \$140.90 reimbursement to Jeff Muscatine for pool chemicals.
  4. \$414.62 payment to Severaid & Glahn for invoiced fees due under contract for collection services initiated by CAMS.
- **Insurance Policy Renewal** – the board will consider renewing the insurance policy for the year 2023-2024 at a premium amount of \$41,635. Documents attached.
- **Architectural application**

The board will consider the following application:

1. Replacement of both side fences at 269 at the homeowner's expense.

#### **STATUS REPORTS/DISCUSSION ITEMS**

- **Association Investment Policy** – a draft will be distributed for discussion at a future board meeting. The draft is attached.
- **Adjournment.**

	2023 YTD JAN-AUG	2023 AVG/MO JAN-AUG	2024 DRAFT ANNUAL BUDGET	2024 DRAFT MONTHLY BUDGET	
<b>INCOME</b>					
4001-Membership Assessments	118,496	14,812	192,096	16,008	Assumes \$348/mo dues (8% increase)
4010-Late Fees & Penalties	469	59			
4070-Income-Operations Interest	1	0			
4085-Interest-Reserves/Ed Jones	2,143	268	29,670	2,473	Based on phone call with Edward Jones
<b>TOTAL INCOME</b>	<b>121,108</b>	<b>15,139</b>	<b>221,766</b>	<b>18,481</b>	
<b>EXPENSE</b>					
<b>6000-ADMINISTRATIVE</b>					
6001-Insurance Expense	36,453	4,557	41,635	3,470	Renewal quote
6010-Auditing/Tax Prep	1,625	203	2,438	203	Based on Jan-Aug 2023 monthly avg
6011-Bank Fees	16	2	24	2	Based on Jan-Aug 2023 monthly avg
6015-Bookkeeping/Accounting	650	81	975	81	Based on Jan-Aug 2023 monthly avg
6030-Federal/State Taxes	7,296	912	10,944	912	Based on Jan-Aug 2023 monthly avg
6040-Legal Fees	2,275	284	3,413	284	Based on Jan-Aug 2023 monthly avg
6045-License & Inspection Fees	518	65	777	65	Based on Jan-Aug 2023 monthly avg
6075-Assoc Management	3,757	470	0	0	
6080-General Office Expense	482	60	0	0	
6081 Reserve Study	300	38	1,600	133	Expected 2024 cost
6082-Social Events	93	12	139	12	Based on Jan-Aug 2023 monthly avg
6090-Postage/Delivery/Copies	54	7	81	7	Based on Jan-Aug 2023 monthly avg
<b>Subtotal</b>	<b>53,519</b>	<b>6,690</b>	<b>62,026</b>	<b>5,169</b>	
<b>6100-COMMON AREA MAINTENANCE</b>					
6120-Janitorial	90	11	135	11	Based on Jan-Aug 2023 monthly avg
<b>Subtotal</b>	<b>90</b>	<b>11</b>	<b>135</b>	<b>11</b>	
<b>6200-LANDSCAPING</b>					
6220-Landscape Contract	12,870	1,609	19,304	1,609	Based on Jan-Aug 2023 monthly avg
6221-Landscape Repairs	1,497	187	2,245	187	Based on Jan-Aug 2023 monthly avg
6230-Plant Replacement/Weed Cont	1,274	159	1,911	159	Based on Jan-Aug 2023 monthly avg
<b>Subtotal</b>	<b>15,640</b>	<b>1,955</b>	<b>23,460</b>	<b>1,955</b>	
<b>6300-POOL</b>					
6320-Swimming Pool Service	3,808	476	5,713	476	Based on Jan-Aug 2023 monthly avg
6330-Pool Repairs	0	0	0	0	Based on Jan-Aug 2023 monthly avg

	2023 YTD JAN-AUG	2023 AVG/MO JAN-AUG	2024 DRAFT ANNUAL BUDGET	2024 DRAFT MONTHLY BUDGET	
6340-Pool Supplies	1,344	168	1,536	128	Estimate
Subtotal	5,153	644	7,249	604	
6400-UTILITIES					
6410-Electricity	1,411	176	2,116	176	Based on Jan-Aug 2023 monthly avg
6415-Gas	666	83	900	75	Estimate
6450-Water	888	111	1,331	111	Based on Jan-Aug 2023 monthly avg
6451-Sewer	426	53	639	53	Based on Jan-Aug 2023 monthly avg
Subtotal	3,391	424	4,987	416	
6900-ALLOCATION TO RESERVES					
6901-General Reserve Allocation	0	0	112,500	9,375	Balancing amt to make net income \$0
Subtotal	0	0	112,500	9,375	
7000-REPAIRS AND MAINTENANCE					
7050-Maintenance & Repair	4,869	609	7,303	609	Based on Jan-Aug 2023 monthly avg
7055-Roofing & Gutters	0	0	4,000	333	Estimate based on \$4,000/year
Subtotal	4,869	609	11,303	942	
TOTAL EXPENSES	82,661	10,333	221,659	18,472	
NET INCOME	38,447	4,806	107	9	



**FIELDSTONE MONTHLY ACTUALS**

	<b>JAN 2023</b>	<b>FEB 2023</b>	<b>MAR 2023</b>	<b>APR 2023</b>	<b>MAY 2023</b>	<b>JUN 2023</b>	<b>JUL 2023</b>	<b>AUG 2023</b>
6340-Pool Supplies	0.00	0.00	0.00	329.01	0.00	0.00	1,015.11	0.00
<b>Subtotal</b>	<b>0.00</b>	<b>525.00</b>	<b>300.00</b>	<b>329.01</b>	<b>0.00</b>	<b>1,287.90</b>	<b>2,367.61</b>	<b>343.05</b>
<b>6400-UTILITIES</b>								
6410-Electricity	441.66	71.33	104.98	139.78	0.00	61.41	140.58	451.08
6415-Gas	0.12	0.00	5.83	0.00	0.85	0.00	562.45	96.91
6450-Water	86.00	102.91	0.00	216.14	104.66	0.00	215.82	162.13
6451-Sewer	0.00	126.00	0.00	60.00	60.00	60.00	60.00	60.00
<b>Subtotal</b>	<b>527.78</b>	<b>300.24</b>	<b>110.81</b>	<b>415.92</b>	<b>165.51</b>	<b>121.41</b>	<b>978.85</b>	<b>770.12</b>
<b>6900-ALLOCATION TO RESERVES</b>								
6901-General Reserve Allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>7000-REPAIRS AND MAINTENANCE</b>								
7050-Maintenance & Repair	587.00	0.00	0.00	0.00	0.00	120.00	1,361.56	2,800.00
7055-Roofing & Gutters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>587.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>120.00</b>	<b>1,361.56</b>	<b>2,800.00</b>
<b>TOTAL EXPENSES</b>	<b>19,068.16</b>	<b>5,635.00</b>	<b>3,291.93</b>	<b>11,293.05</b>	<b>10,505.35</b>	<b>10,313.20</b>	<b>7,308.02</b>	<b>15,246.53</b>
<b>NET INCOME</b>	<b>(4,142.02)</b>	<b>9,275.03</b>	<b>11,584.47</b>	<b>3,519.04</b>	<b>4,306.76</b>	<b>4,620.52</b>	<b>7,600.71</b>	<b>1,682.48</b>



**R U S S O**  
GET TO KNOW US ~ BEFORE YOU NEED US  
— INSURANCE AND FINANCIAL SERVICES —

13 October 2023

Fieldstone Owners Association  
C/o Abigail Padou  
344 Fieldstone Drive  
Murphys, CA 95247

**RE: *Insurance Renewal 2023***

Dear Abigail and Board Members,

On behalf of Russo Insurance Agency, I would like to express our sincere appreciation for the opportunity to provide this proposal for your association which renews on November 02, 2023. The renewal has been offered with Farmers Insurance which is a preferred company. A.M. Best has rated Farmers Insurance at A XV, an Excellent rating with a financial size of \$2 billion or greater.

Farmers Insurance's includes coverage for full replacement of the buildings and residential units, including permanently installed fixtures, appliances **and** betterments and improvements! Most insurance companies limit interior coverage to the drywall or to the original builder specifications. Providing full replacement cost coverage saves every owner \$100's of dollars every year on their individual insurance premium and is the most cost effective and efficient way to insure the property. Furthermore, this renewal offer includes a 150% Extended Replacement Cost Endorsement. This extended replacement cost endorsement is unprecedented in the commercial insurance marketplace. And let's not forget our exceptional claims service with in-house, highly trained, claim professionals (no third-party claims adjusters!).

**These are just a few of the primary reasons Farmers Insurance continues to be the leading commercial insurer in California and has been for the past 25 years.**

I have also included some *Optional Coverage* for your consideration. Please review this coverage carefully and select the option box for acceptance or simply leave blank for declination. Please evaluate these guidelines and your limit of coverage carefully.

In looking over the review, ***please feel free to contact our office with any questions or inquiries.*** To avoid a lapse in coverage, please complete and return the last page of the Renewal Review and premium to our office no later than **11/02**. I have provided the Annual Invoice and Annual Insurance Disclosure for your convenience.

Thank you for the opportunity to handle your insurance needs!

Sincerely,

Kevin Hughes  
Account Executive/Producer  
[kevin@rickrussoinsurance.com](mailto:kevin@rickrussoinsurance.com)



## Important notice regarding Insurance for: Fieldstone Owners Association

The purpose of this document is to:

1. Inform you regarding California law affecting insurance coverage for Fieldstone Owners Association as well as you as an Owner.
2. **Notify you that should a covered loss occur to your home you may be personally responsible for the first \$25,000. This amount is in relationship to the deductible on the Association's Master policy.**
3. Provide you with information that will assist you in securing personal insurance. Doing so can lessen the financial impact you will face for damage to your home [See Exhibit 1].
4. Address basic coverage and exclusion provisions common in most insurance contracts.
5. Address loss prevention practices.
6. Provide information to assist you in ordering evidence of insurance for personal or mortgage company use.
7. Provide instructions on claim procedures and protocol.

### 1. Application Limits of Association's Insurance Coverage

- 1.1. Applies to Association and unit owner policies and supersedes anything to the contrary written in the CC&Rs (Covenants Conditions and Restrictions).
- 1.2. The Association's policy includes coverage for: "any fixtures, improvements, or betterments installed by a unit owner, or floor coverings, cabinets, heating and plumbing fixtures, paint, wall coverings, windows, and any item permanently attached to a unit."
- 1.3. When a covered cause of loss occurs the Association's policy of property insurance shall provide **primary coverage**. The **unit owner's insurance policy may be primary for the portion of the loss equal to the deductible amount on the Association's policy.**
- 1.4. If two or more owners suffer a loss in a single event, they may each be responsible for payment of a portion of the Association's deductible based on the percentage of loss they each suffered.
- 1.5. If an owner does not pay his/her share of the loss within 30 days after substantial completion, the Association may levy an assessment against the owner and place a lien on the unit.
- 1.6. If the unit owner has no insurance for a covered cause of loss, he/she may be personally responsible for the loss to the amount of the Association's policy deductible.

2. **Your Associations policy has a property deductible of \$25,000 for each occurrence. Payment for the deductible may become your responsibility when a covered cause of loss affecting your unit occurs. Payment of the deductible can and should be included with your insurance policy. Consult your insurance advisor regarding your coverage.**

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.



### 3. Personal Insurance:

Homeowners should maintain personal insurance coverage. We recommend a comprehensive review of your insurance with your licensed insurance advisor. **Exhibit 1** of this document provides a checklist of items that should be reviewed at that time.

### 4. Basic coverage and exclusion provisions in the Association's Master Insurance policy:

**4.1** The Association's policy includes "special form" property coverage for perils such as fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, weight of ice and snow, collapse, sudden and accidental discharge of water or overflow from plumbing or appliances, and frozen pipes inside a unit.

**4.2** Common exclusions: Many insurance companies will not cover water damage resulting from a frozen pipe if adequate heating is not maintained in the unit. Therefore, it is imperative that heat is maintained or that pipes are drained when a unit is unoccupied for an extended period. If your home has fire protection provided by a residential sprinkler system the insurance policy can deny a claim if the sprinkler system is not active at the time a fire occurs. Notify the insurance company any time impairment occurs or for maintenance that lasts over 48 hours.

**4.2.1** No coverage is provided for: earthquake, earth movement, landslide, wear and tear, deterioration, or flood, (flood is often defined as water penetrating the building envelope from an outside source). This can include items such as a sprinkling system or other water lines located outside the physical building structure. Damage by insects or animals, mold/fungus, removal of asbestos, settling or cracking of foundations, walls or pipes may also be excluded. **There is no coverage for damage caused by continuous or repeated seepage or leakage of water occurring over a period, usually defined as 14 days. This includes appliances, plumbing and leaking around shower, bathtub, toilet or sink.** The insurance contract contains full details on coverage, limitations, and exclusions. Consult with your advisor regarding unique perils that may impact your property.

### 5. Loss Prevention:

To reduce the likelihood of damage to your home and possible damage to a neighbor's home the following are a few "loss prevention" measures that should be followed:

When your home will be **unoccupied** for more than a few days:

- Turn off the water to the inside of your home and drain the lines by opening faucets.
- Turn your water heater to "vacation" setting if you have one.
- Leave the heat on to 55 degrees in the winter to avoid freezing. In Summer months leave air-conditioning on to 80 degrees to avoid melting, warping, etc.

#### **Routine Considerations:**

- ✓ Washing machine water supply should be turned off after each use.
- ✓ Have clothes dryer vents checked and cleaned on an annual basis. Always remove lint from the filter after each use.
- ✓ Keep smoke alarms in good working condition.
- ✓ Make certain that downspouts are moving water away from the structure rather than toward it.
- ✓ Watch for sprinkler heads or water lines in the landscape area that are broken or not functioning properly. Repair or correction should immediately be brought to the attention of a board member or the community manager.
- ✓ Consult with a professional when unable to remedy unusual persistent odor, or when events occur that seem to suggest appliances or other home equipment are near the end of their lifespan.
- ✓ Have a trusted neighbor or family member periodically check your home while you are away.

**IMPORTANT:** The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.





## 6. Information to assist you ordering evidence of insurance:

6.1 To obtain a certificate of insurance, please visit [www.eoidirect.com](http://www.eoidirect.com). After creating an account, click on "Evidence of Insurance" to search for the association and make the order. Those without internet access may also contact the help desk at (877) 456-3643 to make their order over the phone with a representative, available from 7AM-6PM (MT), Monday to Friday.

## 7. Claim protocol:

- 7.1 **Claims** for a covered cause of loss, within the following amounts, should be handled as follows:
- 7.2. **\$0 to \$25,000 may be the unit owner's sole responsibility.** Cost of cleanup and repair would be paid out of pocket or from personal insurance coverage. Claims under \$25,000 will not be filed against the Association policy unless circumstance dictates otherwise.
- 7.3 Claims over \$25,000 should be submitted to the Association's policy.
- 7.4 When a loss Occurs:
1. Take action to prevent further damage to your home. For example, it may be necessary to call an emergency restoration company to start water extraction if water damage has occurred inside your home. The next step contact:
  2. Contact your own insurance company and report the damage to your home.
  3. Contact a Board member or the Community Manager regarding the damage.
  4. If individuals above are not available contact a member of our staff 916.791.1901.
- Please note that we will only submit claims to the insurance company after approval from the Board or the Community Manager has been received. Only in rare situations will we do otherwise.

**A loss that involves your personal property, extra living expenses, personal liability, loss assessment, etc. should be submitted to your insurance carrier. Neither the Association nor the Association's insurer is responsible for these items.**

Payment for claims made on the Association's Insurance policy will be payable to the Association not to an individual homeowner.

Please note that the coverage and procedures outlined in this letter apply to your current insurance program, prepared by Russo Insurance Agency. If the association changes agents we recommended that these procedures be reevaluated.

We recommend that you take time to review this information and audit your insurance coverage for compliance. We **strongly** suggest reviewing these documents with your insurance representative to facilitate securing the appropriate insurance coverage for your specific situation.

If you feel your current insurance coverage needs to be reviewed, you may contact our office and ask for a member of our personal insurance team to assist you.

When corresponding with us, please reference **Fieldstone Owners Association** as the community you live in.

Personal Regards,

A handwritten signature in black ink that reads 'Rick Russo'.

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.



Exhibit 1. – Personal insurance checklist

1.	<b>Policy type - HO-6 form</b> (commonly referred to as a condominium owners policy). Not an HO-3 homeowner policy or an HO-4 renter's policy.
2.	<b>Coverage A (Dwelling coverage) We recommend a limit of *\$25,000</b> to account for claims that are less than the Association's deductible.
3.	<b>Personal Property Coverage</b> - Consult with your insurance advisor.
4.	<b>Personal Liability</b> - Consult with your personal insurance advisor. You may want to inquire regarding umbrella liability coverage.
5.	<b>Loss of Use Coverage &amp; Additional Living Expenses</b> (In the event your unit is uninhabitable due to a covered loss).
6.	<b>Loss Assessment</b> – Consider a minimum of \$25,000 or higher.
7.	<b>Loss of Rents</b> – Is your unit a rental? If so, this coverage should be purchased. Note that form numbers will change, i.e., DP-6 rather than HO-6. Form # and name varies by company.
8.	Any other riders such as <b>Valuable Articles</b> , i.e., jewelry, art, collectibles, etc. Consult your insurance advisor.
9.	<b>Other Endorsements</b> your insurance advisor may recommend.
10.	<b>Earthquake</b> coverage for your dwelling & contents, earthquake loss assessment, etc. <b>NO EARTHQUAKE INSURANCE HAS BEEN OBTAINED BY THE ASSOCIATION.</b> Consult your insurance advisor. <a href="http://CommunityQuake.com">CommunityQuake.com</a> is a resource that we provide for those who may have difficulty securing EQ coverage on their home.
11.	<b>Flood Insurance</b> to cover against outside water penetrating the building envelope. <b>NO FLOOD INSURANCE HAS BEEN OBTAINED BY THE ASSOCIATION.</b> Consult your insurance advisor.
12.	<b>Inventory</b> – When a loss occurs you are responsible for proving your loss. For example, if you have a television destroyed in a fire you will need to show documentation proving the kind and quality. You won't get a 60" inch big screen unless you have evidence the TV was 60" not 26". The same applies with the types of finishes in your home. You won't be given granite if the home was originally built with laminate countertops and you have no proof of an upgrade. Consult with your personal insurance advisor for recommendations on handling this based on your personal situation.

**Please note that we strongly advise the deductible amount on your personal policy be low enough that you can comfortably pay this should a covered loss occur. Deductible amounts for an HO6 policy can be as low as \$250, the most common being \$500 to \$1,000. A higher deductible will lower your insurance cost but it also increases your out-of-pocket expense when a claim occurs. Take time now and on an annual basis to review your personal insurance with a trusted insurance advisor. He/she will be able to provide counsel concerning what insurance coverage and deductible amounts are right for you.**

IMPORTANT: The information contained herein is intended to be used solely for informational reference and as a general guideline. It confers no rights nor affirmatively or negatively amends, extends or alters coverage afforded by the policies referred to.



**R U S S O**

GET TO KNOW US ~ BEFORE YOU NEED US  
— INSURANCE AND FINANCIAL SERVICES —

---

# ***FIELDSTONE***

# ***OWNERS ASSOCIATION***

---

## **INSURANCE RENEWAL PROPOSAL**

*Policy Period: November 02, 2023 – November 02, 2024*



*Kevin Hughes – Lic.# 0K52031*  
*kevin@rickrussoinsurance.com*

Phone: (800) 281-7873 Ext. 105 - Fax: (916) 797-3388 / [www.rickrussoinsurance.com](http://www.rickrussoinsurance.com)  
~License: AZ 156230 • CA: 0672254 • CO: 160637 • NC: 2725401 • NV: 870947 • UT: 441144 ~

## **EXECUTIVE COVERAGE PROPOSAL:**

---

### **BUILDING/PROPERTY COVERAGE: \$22,488,800.**

➤ **150% EXTENDED REPLACEMENT COST LIMIT: \$33,733,200.**

Special Form, Blanket Building Coverage and 150 Extended Replacement Cost. In addition to the above: \$225,000 specified property. \$50,000 outdoor property (\$25,000 per tree limit). \$50,000 outdoor signs (\$25,000 per sign limit). Outdoor association contents included in building limit.

- Deductible: \$5,000.
- Building Ordinance B (*Demolition*): \$437,147.
- Building Ordinance C (*Increased Cost of Construction Due to Building Code Upgrades*): \$437,148.
- Back-Up of Sewer and Drain: \$100,000.
- Loss of Assessments/Extra Expense: \$100,000.
- Earthquake Sprinkler Leakage: EXCLUDED – not fire sprinklered

### **GENERAL LIABILITY COVERAGE:**

Broad Form Liability, Personal and Advertising Injury, Non-Owned Auto Liability and Hired Auto Liability, Host Liquor Liability.

- Limit: \$1,000,000. Per Occurrence / Aggregate Limit: \$2,000,000. / No Deductible
- Fire Legal Liability: \$75,000. / No Deductible
- Premises Medical Expense Limit: \$5,000. / No Deductible
- Cyber Liability and Data Breach Expense: \$50,000. / \$2,500. Deductible

### **EMPLOYEE DISHONESTY COVERAGE:**

Civil Code 5806: Unless the governing documents require greater coverage amounts, the association shall maintain coverage in an amount that is equal to or more than the combined amount of the reserves of the association and total assessments for three months (*See page 3*).

- Limit: \$700,000. / Deductible: \$5,000.

### **DIRECTORS AND OFFICERS LIABILITY COVERAGE:**

- Limit: \$1,000,000. Per Occurrence / Aggregate \$1,000,000.
- Deductible: \$1,000.

### **UMBRELLA LIABILITY COVERAGE INCLUDING GENERAL, D&O, AND WORK COMP EMPLOYER LIABILITY:**

- Limit: \$5,000,000.
- Self-Insured Retention: \$10,000.

## ***Fidelity Bond Coverage:***

---

A fidelity bond is a form of insurance protection that covers policyholders for losses that they incur as a result of fraudulent acts by specified individuals. It usually insures a business for losses caused by the dishonest acts of its employees, board members, committee members or managers.

---

### **WHAT LIMIT DOES OUR ASSOCIATION NEED?**

Civil Code 5806 states that unless the governing documents require greater coverage amounts, the association shall maintain fidelity bond coverage for its directors, officers and employees in an amount that is equal to or more than the combined amount of the reserves of the association and total assessments for three months.

The association's fidelity bond shall also include computer fraud and funds transfer fraud. If the association uses a managing agent or management company, the association's fidelity bond coverage shall additionally include dishonest acts by that person or entity and its employees.

\* Please confirm your limit is in compliance with the Civil Code listed above. \*

## ***Directors & Officers Coverage:***

Covers the legal liability in defense of the association officers and directors acting in their fiduciary capacity as association officials.

### **WHAT LIMIT DOES OUR ASSOCIATION NEED?**

The Civil Code 5800 states that a volunteer officer or volunteer director of an association that manages a common interest development that is exclusively residential, shall not be personally liable in excess of the coverage of insurance specified in paragraph (4) to any person who suffers injury, including, but not limited to, bodily injury, emotional distress, wrongful death, or property damage or loss as a result of the tortuous act or omission of the volunteer officer or volunteer director if all of the following criteria are met:

(4) The association maintained and had in effect at the time the act or omission occurred and at the time a claim is made one or more policies of insurance that shall include coverage for (A) general liability of the association and (B) individual liability of officers and directors of the association for negligent acts or omissions in that capacity; provided that both types of coverage are in the following minimum amounts:

(A) At least five hundred thousand dollars (\$500,000) if the common interest development consists of 100 or fewer separate interests.

(B) At least one million dollars (\$1,000,000) if the common interest development consists of more than 100 separate interests.



\* Your association ***is in compliance*** with the Civil Code listed above.\* Recreational amenities, maintenance and cultural factors influence your exposure to liability. Please contact us to discuss the risk at your association, to determine an appropriate limit for your needs.

## ***General/Excess Liability Coverage:***

---

Pays on behalf of the insured in the event that the primary underlying coverage is exhausted, but there is still outstanding financial obligation. It may also be used as a primary policy, in the event that the underlying coverage does not cover said event. The Umbrella Policy also extends over the Directors & Officers Liability and Workers Compensation Employer Liability.

---

### **WHAT LIMIT DOES OUR ASSOCIATION NEED?**

The Civil Code 5805 states that it is the intent of the Legislature to offer civil liability protection to owners of the separate interest in a common interest development that have common areas owned in tenancy-in-common if the association carries a certain level of prescribed insurance that cover a cause of action in tort. Any action in tort to a common interest development shall be brought only against the association and **not** against the individual owners of the separate interest if both of the following insurance requirements are met:

1. The association maintained and has in effect for this cause of action, one or more policies of insurance which include coverage for general liability of the association
2. The coverage described in paragraph (1) is in the following minimum amounts
  - a. At least two million (\$2,000,000) if the common interest development consists of 100 or fewer separate interest.
  - b. At least three million (\$3,000,000) if the common interest development consists of more than 100 separate interests.

\* Your association ***is in compliance*** with the Civil Code listed above.\* Recreational amenities, maintenance and cultural factors influence your exposure to liability. Please contact us to discuss the risk at your association, to determine an appropriate limit for your needs.

## ***Workers Compensation Coverage:***

---

### **EVERY ASSOCIATION, EMPLOYEES OR NOT, FACES THE FOLLOWING EXPOSURES:**

1. An employee of an uninsured contractor is injured at the association and the employer has not provided proper coverage. The association may be required by the local Labor/Industrial authorities to step in as the ‘employer’ as it relates to benefits owed that injured employee;
2. A volunteer working on behalf of the association is injured during the course of their duties. The association should (and ultimately may be required to) treat that injury as ‘work-related’ thereby requiring benefits owed under the labor code.

### **COVERAGE CONSIDERATIONS...**

1. While the **General Liability** policy does provide coverage for ‘bodily injury’, it **EXCLUDES** ‘bodily injury to an employee’. A serious injury to a volunteer could easily be viewed as an injury to an ‘employee’ by your General Liability carrier.
2. An “If-Any” Workers’ Compensation Policy can include a Voluntary Compensation Endorsement will respond to each of these exposures as evidenced in the losses outlined below.

### **RISK STATE TOTAL PAID DESCRIPTION**

• CA	\$19,264	Volunteer injured back while lifting stove in clubhouse
• GA	\$15,710	Maintenance worker fell while picking up trash
• NL	\$11,677	Manager developed hernia while pushing dumpster
• CA	\$24,500	Volunteer fell and landed on head
• FL	\$252,931	Volunteer Board Member fell while hanging picture – broke ribs
• IL	\$24,000	Maintenance Worker fell from ladder – broke both ankles



## **BIND REQUEST & OPTIONAL COVERAGE:**

*Signing below binds this coverage as of the 11/02/23 renewal date and accepts the coverage and/or changes requested.*

Bind All Coverages (Page 2).....Premium: \$41,635.

### *Optional Coverage*

- Bind Workers Compensation: **ADD \$375.**
- Quote Earthquake/DIC Insurance Coverage – not currently covered
- Quote Flood Insurance Coverage – not currently covered

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

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Fax or Email your acceptance to: (916) 797-3388 or kevin@rickrussoinsurance.com

- ✓ Please sign and return prior to renewal date to avoid any lapse in coverage.
- ✓ We can NOT Bind coverage prior to receipt of this offer.

**\*THIS PAGE MUST BE RETURNED\***

**Disclaimer: This renewal offer is an executive summary review and not the actual insurance policies. It only provides a brief description of coverages and premiums for the risks insured. Premiums are based on information received through the insured or management representative, document review, on-site agent inspection, loss control inspections and underwriting investigation.**

# Annual Insurance Disclosure 2023-24

In accordance with the requirements set forth under California Civil Code 5300 (b)(9), associations must provide the following insurance summary annually. This disclosure will list the insurance your association carries through our agency.

## **Fieldstone Owners Association**

*Effective: November 02, 2023 to 2024*

- ***Building/Property Insurance Coverage***

Insurer: Farmers Insurance Group of Companies  
Policy Limits: \$22,488,800. / Deductible: \$25,000.

- ***General Liability Insurance Coverage***

Insurer: Farmers Insurance Group of Companies  
Policy Limits: \$1,000,000. Occurrence / Aggregate: \$2,000,000.

- ***Crime/Employee Dishonesty/Fidelity Bond Coverage***

Insurer: Farmers Insurance Group of Companies  
Policy Limits: \$700,000. / Deductible: \$5,000.

- ***Directors and Officers Coverage: \$1,000,000. / Deductible: \$1,000.***

- ***Excess Liability/Umbrella Coverage: \$5,000,000. / SIR: \$10,000.***

- ***Workers Compensation Coverage: N/A.***

- ***Flood Insurance Coverage: Clubhouse: N/A Residential: N/A***

- ***Earthquake/DIC Insurance Coverage: N/A***



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.



**R U S S O**  
 GET TO KNOW US ~ BEFORE YOU NEED US  
 — INSURANCE AND FINANCIAL SERVICES —

**INVOICE**

**Customer**

Name Fieldstone Owners Association

**Misc**

Date 10/13/2023

Order No. 2023

Rep Hughes

FOB

Qty	Description	Unit Price	TOTAL
	<b>POLICY PERIOD: 11/02/2023 to 11/02/2024</b>		
	Master Policy- <i>On Monthly Billing From Farmers</i>	\$ 39,310.00	\$ -
	Directors & Officers Policy		
	5M Umbrella Policy- <i>On Monthly Billing From Farmers</i>	\$ 2,325	
	<b>Total Annual Premium: \$41,635.</b>		
	<b>*Premiums not received on/before the renewal date are subject to a \$20 per policy late fee</b>		

SubTotal \$ -

Shipping

**TOTAL** \$ -

**Payment**

Name Abigail Padou

Expires \_\_\_\_\_

Please Make Check Payable to  
**RUSSO INSURANCE AGENCY**

**Premium is Due UPON RECEIPT. Premiums not received on/before the renewal date are subject to a \$20 per policy late fee**

Phone: (800) 281-7873 - Fax: (916) 797-3388 / [www.rickrussoinsurance.com](http://www.rickrussoinsurance.com)

951 Reserve Drive, Suite 160, Roseville, CA 95678

~License: AZ 156230 • CA: 0672254 • CO: 160637 • NC: 2725401 • NV: 870947 • UT: 441144 ~

## DRAFT INVESTMENT POLICY – FIELDSTONE OWNERS ASSOCIATION

The Board of Directors shall invest money held in the Association's Reserve Fund with the primary goal of earning the maximum amount of interest income that is consistent with a prudent regard for capital safety and preservation. A secondary goal is the structuring of any investments to ensure the accessibility and liquidity of funds to meet both anticipated and unanticipated expenses.

The Treasurer, under the supervision of the Board, has the responsibility to both implement this Investment Policy and to ensure that the Board's fiduciary duties with respect to the Reserve Fund are met.

Investments by the Reserve Fund are limited to the types of investments made by a prudent investment manager such as investments in: certificates of deposit, money market accounts, money market funds, and investment grade bonds, bills or notes.

Excess funds shall not be kept in the Operating Account, but shall be transferred to the Reserve Account on a monthly basis. Excess funds refer to the monthly income remaining after all monthly operating expenses have been paid. The Association may maintain a cushion in the Operating Account for unanticipated expenses, but such a cushion may not exceed \$15,000.

All Reserve Fund investments shall be held at a bank, brokerage or other financial institution that is insured under a government program such as FDIC or SPIC. The Reserve Fund shall not be held in the same financial institution as the Operating Account, in order to avoid commingling of funds.

A portion of the Reserve Fund known as the Ready Reserve, shall be invested in highly liquid, but prudent investments such as money market accounts or money market funds. The Ready Reserve shall be determined by the Board each January after consulting the most recent Reserve Study. In no case shall the Ready Reserve amount be less than \$50,000.

Any funds in excess of the Ready Reserve shall be invested at different maturities to ensure liquidity and availability of funds to meet expenses anticipated in the Reserve Study as well as unanticipated expenses. For example, funds in excess of the Ready Reserve might be invested in debt instruments with maturities of one, two and five years.

The Treasurer shall ensure that money is properly reinvested upon the maturity of any investment. Reserve Funds shall not be allowed to languish uninvested, such as in a non-interest bearing or nominally interest bearing account.

In April of each year, the Treasurer shall email to all members a statement describing how the Reserve Fund is invested. The statement shall list all investments held by the Reserve Fund; the name of the financial institution where the investments are held; the

amount of money held in each investment; and the interest rate earned by each investment; and the maturity date of each investment (if applicable).

This Investment Policy was adopted by the Board on \_\_\_\_\_ by a vote of \_\_\_\_\_ after the Policy was presented to the Membership for at least 30 days.