

Fieldstone Owners Association
344 Fieldstone Drive
Murphys, CA 95247
www.FieldstoneMurphys.com

2018 Annual Notice to Members

This Annual Notice Includes:

- Pro Forma Operating Budget and Reserve Budget
- Insurance Coverage Disclosure Summary Form
- Delinquent Assessment Collection Policy Statement
- Notice of Members' Right to Alternative or Internal Dispute Resolution
- Secondary Address Notification

The following documents can be found on the Association's website:

- 2017-2018 Insurance Policy Certificates and Documents
- 2017 Reserve Study Update
- Board Meeting Minutes
- Governing Documents

Service requests, comments or questions for the Board should be directed to the Board by email. Email addresses for Board members are posted on the Fieldstone website at www.FieldstoneMurphys.com.

Monthly Assessments:

2018 Fieldstone dues are \$285/month. They are due on the 1st day of each month.

Note:

In 2017, the Association's bookkeeper retired. The Association now uses Sensible Accounting Services in Murphys as its bookkeeper. Ebbetts Pass Accounting in Avery is still the Association's CPA and audits the Association's books annually.

Fieldstone Owners Association
344 Fieldstone Drive
Murphys, CA. 95247

Budget for 2018

Operating Account

Income

Assessments	\$157,320
Other	<u>200</u>
Total Income	\$157,520

Expenses

Reserve Account	\$83,760
Insurance	20,000
Landscaping	
Sea Magic Contract	18,000
Other Sea Magic	3,600
Other Landscaping	1,000
Maintenance & repair	
Pool Service	4,800
Common Area Cleaning	1,500
Gutters	4,800
Other Maintenance & Repair	5,000
Utilities	
Campora	1,900
Murphys Sanitary	750
PG&E	3,000
UPUD	600
Administrative Expenses	
General Office	500
Bookkeeping	2,400
CPA	5,000

Taxes and Fees	260
Board Committees	
Communications	200
Landscape	100
Pool	100
Social	<u>250</u>
Total Expenses	\$157,520

Reserve Account

Income

Contribution	\$83,760
Other	<u>5,200</u>
Total Income	\$88,960

Expenses

Painting	\$30,000
Road Sealing	<u>\$10,000</u>
Total Expenses	\$40,000

Retained Contribution \$48,960

Note: Inclusion of a particular expense in the budget does not authorize the spending of any money. All expenditures must be approved by the Board of Directors.

Approved by the Board at a regular meeting on September 29, 2017.



SOCHER

Corporate Headquarters
1350 Old Bayshore Hwy., Suite 630
Burlingame, CA 94010

East Bay Office
7901 Stoneridge Dr., Suite 445
Pleasanton, CA 94588

Socher Insurance Agency, Inc.
Toll-Free: 877.317.9300
Fax: 877.317.9305
www.hoainurance.net
CA Broker License: #0C97535

October 25, 2017

FIELDSTONE OWNERS ASSOCIATION
Civil Code 5300(b)(9) Disclosure Summary Form

Property: Travelers Property Casualty Company: 11/02/2017 – 11/02/2018
\$17,316,944 Special Form (wind included), 100% Replacement Cost Basis with No Co-Insurance and a \$5,000 Deductible per Occurrence.

General Liability: Travelers Property Casualty Company: 11/02/2017 – 11/02/2018
\$1,000,000 per Occurrence / \$2,000,000 General Aggregate with a \$0 Deductible.
Non-owned and Hired Automobile Liability is included in this Policy.

Umbrella Liability: Greenwich Insurance Company: 11/02/2017 – 11/02/2018
\$5,000,000 Each Occurrence / \$5,000,000 General Aggregate with a \$0 Self Insured Retention Each Occurrence. This coverage is in excess of the General Liability, Non-owned and Hired Automobile Liability, Directors' & Officers Liability and Workers' Compensation (if applicable).

Directors' and Officers Liability: Continental Casualty Company: 11/02/2017 – 11/02/2018
\$1,000,000 per Occurrence and Annual Aggregate with a \$1,000 Retention per Occurrence.

Employee Dishonesty: Philadelphia Indemnity Insurance Company: 11/02/2017 – 11/02/2018
\$150,000 per Occurrence with a \$2,500 Deductible. Coverage is provided for both Board of Directors and employees the Association has or might have during the Policy year.

Workers' Compensation: No coverage through our agency.

Equipment Breakdown Coverage: No coverage through our agency.

Earthquake Insurance: No coverage through our agency.

Flood: No coverage through our agency.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b) of 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.

*****For lender and/or unit specific Evidence of Insurance please call EOI Direct at 877-456-3643. For general proof of insurance please contact Socher Insurance at 877-317-9300*****

FIELDSTONE OWNERS ASSOCIATION
DELINQUENT ASSESSMENT COLLECTION POLICY STATEMENT

1. Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Special and Special Individual Assessments are due on the date specified upon imposition and each installment thereof shall be delinquent if not received by the Association within twenty-five (25) days after it is due. A late charge of ten percent (10%) or fifteen dollars (\$15), whichever is greater, will be due on any such delinquent assessment.
2. At the option of the Association, interest shall be due on all such amounts, overdue and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
3. If any portion of any assessment of late charges remains unpaid thirty days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s). Please be advised that the Association has the right to collect all reasonable costs of collection.
4. All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.
5. If all such amounts have not been received, in full, within ninety (90) days after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount.
6. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non judicial foreclosure, or suit for money damages all at the expense of the property owner(s).
7. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balance first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
8. The Association shall charge a "returned check charge" of twenty-five dollars (\$25) for all checks returned as "non-negotiable", "insufficient funds", or any other reason.
9. All above referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).

10. The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.
11. The Board of Directors of the Association may revise this policy, either generally, or on a case-by-case basis, if it finds good cause to do so.
12. Payments may be sent to 344 Fieldstone Drive, Murphys CA 95247.

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 NONJUDICIAL 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 a judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on or after January 1, 2006, an association may use judicial or non-judicial 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) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or non-judicial 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 1366, 1367.1 and 1367.4 of the Civil Code)

In a judicial or non-judicial foreclosure the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 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 1367.1)

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 1367.1 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 1367.1 of the Civil Code)

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, he or she 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 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the Association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 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 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 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 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 exist. (Section 1367.1 of the Civil Code)

The board of directors 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 with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

SUMMARY OF CALIFORNIA STATUTES RELATING TO ALTERNATIVE DISPUTE RESOLUTION AND INTERNAL DISPUTE RESOLUTION PROCEDURES

SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION

PLEASE TAKE NOTICE: California Civil Code Sections 1369.510 through 1369.590 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act. The following is a summary of the provisions of Civil Code Sections 1369.510 through 1369.590, as enacted effective January 1, 2005.

In general, Civil Code Sections 1369.510 through 1369.590 encourages parties to a dispute involving enforcement of an association's governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel disputes away from our state's court system.

Under Civil Code Sections 1369.510 through 1369.590, the form of alternative dispute resolution maybe binding or non-binding, and the costs will be borne equally or as agreed to by the parties involved.

Any party to a dispute regarding enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (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.

If the Request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code Chapter 7, Article 2 (Alternative Dispute Resolution), Sections 1369.510 et seq. in its entirety.

**FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE
ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 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.**

Should the association or an individual member wish to file a lawsuit for enforcement of the association's governing documents, 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 five thousand dollars (\$5,000), the law requires the association or the individual to file a certificate with the court stating the ADR has been complete prior to the filing of the suit. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to the filing of this required certificate when (1) one of the other parties to the dispute refused ADR prior to the filing of the complaint, (2) preliminary or temporary injunctive relief is necessary, (3) small claims actions, or (4) some assessment disputes. Exceptions (1) and (2), however, must also be certified in writing to avoid the court's dismissing the action.

Furthermore, in any lawsuit to enforce the governing documents, while the prevailing party may be awarded attorney's fees and costs, under Civil Code 1354, the court may consider any party's refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCEDURES

Pursuant to Civil Code Section 1363.840 (Civil Code Section 1363.810, et seq.), either the Association or a Homeowner who is involved in a dispute regarding the Governing Documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may invoke the following procedure, which supplements the pre-litigation procedures described above (it does not replace such procedures):

- (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.
- (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.
- (6) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - a. The agreement is not in conflict with California law or the governing documents of the association.
 - b. 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.
- (7) A member of the association may not be charged a fee to participate in the process.

SECONDARY ADDRESS NOTIFICATION

Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by this section to the secondary address provided. The association shall notify owners of their right to submit secondary addresses to the association, at the time the association issues the pro forma operating budget pursuant to Section 1365. The owner's request shall be in writing and shall be mailed to the association in a manner that shall indicate the association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the association shall only be required to send notices to the indicated secondary address from the point the association receives the request.