

THE BOULDERS CONDOMINIUM ASSOCIATION

December 23, 2024

Re: **Notice of Emergency Special Assessment Due on February 1st, 2025**

Dear Homeowner:

This correspondence is to inform you that the Board of Directors has approved an Emergency Special Assessment in the amount of \$371,333 to pay for the unexpected increase in the Association's insurance premiums (See enclosed Board Resolution). An Emergency Special Assessment does not require a membership vote, by law, and is authorized by the Association's Governing Documents and applicable laws (See to Section 5.2(d) of the Association's First Amended & Restated Declaration of Covenants, Conditions and Restrictions of The Boulders Condominium Association and California Civil Code §5610).

The total additional amount necessary to obtain the new insurance policy is estimated to be \$371,333 in the aggregate, allocated equally per Unit pursuant to section 5.1(a) to the CC&Rs, which translates to \$1,752 per condominium Unit annually or \$146.00 per Unit per month and \$2,175 per two-story detached Unit annually or \$181.25 per month. The annual amount or first monthly installment of the Emergency Special Assessment is due on February 1st, 2025.

Please know that the Board is well aware that this Emergency Special Assessment is a significant amount of money and may cause some financial difficulty for some members. However, having insurance is necessary and vital for the preservation of the Association's property/buildings and the assets of its Members. Insurance is also required by most, if not all, mortgage companies. Since the Association does not presently have enough money in its operating and reserve accounts to pay for the increase in insurance premiums and the previous insurance policy was not renewed, which is a matter of urgency, the Board has no other choice but to pass an Emergency Special Assessment.

IMPORTANT PAYMENT INFORMATION

The Emergency Special Assessment full annual amount or first monthly installment is due on February 1st, 2025. Payment should be made out to "The Boulders Condominium Association 2025 Emergency Special Assessment" and sent to:

**The Boulders Condominium Association
c/o Associa Sierra North
10509 Professional Circle, Suite 200
Reno, NV 89521**

If full payment is not received by the Association within thirty (30) days of the deadline, it will be considered delinquent and will accrue late charges and interest. Pursuant to the

CC&Rs, the Association also has the right to record and even foreclose upon a lien for failure to pay these assessments. **Therefore, please understand that non-payment or only partial payment of this Emergency Special Assessment has the same serious consequences as a failure to pay your Regular Assessments.**

If you have any questions, you may direct them to our community manager, Justin Harkey at jharkey@associasn.com. Please note that any objections to the Emergency Special Assessment will not relieve you of your obligation to pay.

Please remember that each Board member is also a Unit owner and subject to the same assessment. We all live in this community and insuring our homes with sufficient coverage is in the best interests of the membership. We appreciate your continued support and cooperation.

Sincerely,
Your Board of Directors
The Boulders Condominium Association

Enclosure (Board Resolution)

THE BOULDERS CONDOMINIUM ASSOCIATION
Insurance Premium Difficulties/Civ. Code § 5810 Notice

December 23, 2024

Dear Homeowner:

This notice is intended to help explain some difficult news facing our community. As many – if not most – of you are already aware, a phenomenon affecting numerous homeowners associations throughout the state is now affecting us. The Boulders Condominium Association (“Association”) is now faced with our insurance carrier dropping us and now having to pay insurance premiums many times more expensive than what they have been in recent years. The Board has worked hard, in consultation with multiple professionals, to determine a means of navigating this challenge while minimizing the impact to each of us individually. This letter is part of the Board’s efforts, to help explain what steps the Board was obligated to take, in order to protect the Development and your homes.

In order to comply with California law and our governing documents, the Association’s insurance premiums in recent years have been approximately \$118,500 per year. The Association anticipated the insurance premiums would increase, as reflected in the next fiscal year’s budget that was recently passed, but it could not anticipate that it would increase more than four times that amount.

However, the Association recently received a **Notice of Non-Renewal** of our general liability and property insurance policies from our insurance carrier, Farmers Insurance Group of Companies, to be effective December 1, 2024. This was attributed primarily to the general increase in insurance premiums all over California, increase in rebuilding costs, and significant increase in wildfire risk.

Please note there was a brief lapse in insurance coverage, but we now have insurance coverage again. In the weeks following this notification, the Association’s management team and Board obtained quotes for new insurance coverage through a different broker with Alera Group. The insurance broker helped us secure an insurance property policy with coverage excluding wildfire for an annual premium of \$324,831.93 and, additionally, a Kettle Wildfire Parametric Quote (with a policy limit of \$ 10 Million Dollars) for an annual premium of \$ 208,319.50. Attached are more details regarding the Association’s current insurance coverage.

Unfortunately, the Association does not have adequate funds in its operating account and reserves to pay such a large premium. **More information and a separate notice will follow regarding the emergency special assessment needed to pay the increase in insurance premiums.**

As homeowners ourselves, we personally know how frustrating this all is. Unfortunately, as noted above, the insurance problem we’re facing is also affecting many common interest developments throughout the state. We will continue to provide updates on these issues as much as possible. The Board is committed to doing everything possible to properly protect the community, while minimizing the financial impact to each of us within the community as much as we can. While there are no guarantees, we have reason to believe this difficulty may resolve in the coming years.

In the meantime, if you should have any questions regarding these matters, you are welcome to contact the Association’s community manager, Justin Harkey at jharkey@associasn.com.

Sincerely,

Board of Directors
The Boulders Condominium Association



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/6/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alera Insurance/Menath Branch 1325 Airmotive Way Suite 320 Reno NV 89502	CONTACT NAME: Ron Wright and/or Lori Nelson PHONE (A/C No. Ext): (775)831-3132 E-MAIL ADDRESS: rwright@menath.com and/or lnelson@menath.com	FAX (A/C No): (775)831-6235	
	INSURER(S) AFFORDING COVERAGE		
INSURED Thye Boulders Condominium Association c/o Associa Sierra North 10509 Professional Circle, #200 Reno NV 89451	INSURER A: Everspan Indemnity Insurance Company		NAIC # 16882
	INSURER B: Hudson Excess Insurance Company		14484
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER: CL2412660586

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			TBD	12/1/2024	12/1/2025	EACH OCCURRENCE	\$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ Excluded
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
							Assault or/and Battery	\$ 250,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			TBD	12/1/2024	12/1/2025	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	General Liability			TBD	12/1/2024	12/1/2025	Deductible	\$10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Ron Wright/MIKE

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**THE BOULDERS CONDOMINIUM ASSOCIATION
RESOLUTION REGARDING EMERGENCY SPECIAL ASSESSMENT**

WHEREAS, the Board of Directors of The Boulders Condominium Association ("Association") has determined that it must pass an emergency special assessment on the community pursuant to Section 5.2(d) of the Association's First Amended & Restated Declaration of Covenants, Conditions and Restrictions of The Boulders Condominium Association and Civil Code Section 5610, to repair or maintain portions of the Victorian Village Condominium Two property for which the Association is responsible; and

WHEREAS, having sufficient property damage insurance is essential to the Association's obligations to repair portions of The Boulders property; and

WHEREAS the Association recently received a Notice of Non-Renewal from the Association's insurance carrier, Farmers Insurance Group of Companies, effective December 1, 2024, that was attributed primarily to the general increase in insurance premiums all over California, increase in rebuilding costs, and significant increase in wildfire risk; and

WHEREAS, in the weeks following the Notice of Non-Renewal, the Association's management team and the Board obtained quotes for new insurance coverage; and

WHEREAS, the Association was able to secure an insurance property policy with coverage excluding wildfire for an annual premium of \$324,831.93 and, additionally, a Kettle Wildfire Parametric policy (with a policy limit of \$ 10 Million Dollars) for an annual premium of \$208,319.50;

WHEREAS, the Association does not have adequate funds in its operating account and reserves to pay such a large premium, which is \$371,333 more than what the Association had budgeted for; and

WHEREAS, the Association was currently in urgent need of insurance coverage; and

WHEREAS, the Association is now faced with an extraordinary expense necessary to fulfill the Association's repair responsibilities, which could not have been reasonably foreseen.

IT IS THEREFORE RESOLVED, that based on the aforementioned urgent need of the Association, the Board has no other choice than to levy an Emergency Special Assessment on the membership to cover such extraordinary expense.

IT IS FURTHER RESOLVED, that the amount of such Emergency Special Assessment will be \$371,333 in the aggregate, allocated per Unit pursuant to CC&Rs section 5.1(a), which translates to **\$1,752 per Unit annually for the Condo units and \$2,175 per Unit annually for the two-story detached units.**

IT IS FURTHER RESOLVED, that the emergency special assessment for the full year shall be \$1,752 (condos) and \$2,175 (two-story detached Units) due on February 1, 2025 or monthly installments of \$146.00 per Unit (condos) and \$181.25 (two-story detached Units) shall be due starting on February 1, 2025.

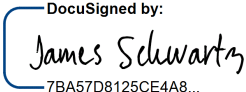
IT IS FURTHER RESOLVED, that the Board will distribute this Resolution to the Members with the Notice of Assessment.

The undersigned certifies that the Board of Directors has adopted the above resolutions in accordance with the provisions of the Corporations Code and the Association's governing documents and directs that this resolution be filed and maintained with the Minutes of the proceedings of the Board of Directors for The Boulders Condominium Association.

Date: 12/20/2024

By: 
63B0C78B11294D7...
President

Date: 12/22/2024

By: 
7BA57D8125CE4A8...
Vice President