

**HAMILTON COVE HOMEOWNERS ASSOCIATION  
MINUTES  
EMERGENCY MEETING OF THE BOARD OF DIRECTORS  
MARCH 20, 2022**

The emergency meeting and executive session was called to order at 10:05 AM by President Norris Bishton. The following directors were present by Zoom:

Norris J. Bishton, Jr.  
Martin Curtin  
Bart Glass  
Richard Kirschner  
Mike Owens

Also present: Bob Hessler the Association's Insurance Broker.

The President reminded the Board that the Association's fire, auto, general liability, umbrella liability and D&O insurance come due for renewal on March 22<sup>nd</sup>. The Association received quotes for insurance three days ago on March 17, 2022, totaling \$1,324,048 which amount is far and above the amounts previously paid for insurance and far and above the amount budgeted for insurance--\$580,650. Because the insurance had to be renewed in five days, the President immediately called an emergency meeting of the Board.

The President provided the following information to the Board prior to the meeting.

1) The Association's insurance has been marketed to 57 carriers and intermediate brokers. The carriers the Association used in the past did not come through. Bob Hessler, the Association's insurance broker, has assembled 7 carriers to arrive at the necessary coverage. Working against the Association is the sheer amount of what it is seeking--\$82,000,000 in coverage.

2) The CC&Rs provide as follows:

**Section 9.01.** The Board shall also cause to be obtained and maintained fire and casualty insurance with extended coverage,

without deduction for depreciation, **in an amount as near as possible to the full replacement cost** of the Common Property and those portions of the Condominiums consisting of all fixtures, installations or additions comprising a part of the buildings housing the Condominiums and all built-in or set-in appliances, cabinets and initial basic floor coverings, as initially installed or replacements thereof in accordance with the original plans and specifications for the Project, or as installed by or at the expense of the Owners.

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Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such **casualty**, flood and liability insurance and fidelity bond coverage **meeting the insurance and fidelity bond requirements for condominium projects** established by FNMA, GNMA and FHLMC, so long as any of which is a Mortgagee or Owner of a Condominium within the Project, except to the extent such coverage is not available or has been waived in writing by FNMA, GNMA and FHLMC, as applicable.

3) The FNMA's requirement as to the amount of insurance is as follows:

#### Amount of Coverage

Insurance must cover 100% of the insurable replacement cost of the project improvements, including the individual units in the project. An insurance policy that includes any of the following coverage, either in the policy language or in a specific endorsement to the policy, is acceptable:

Guaranteed Replacement Cost—the insurer agrees to replace the insurable property regardless of the cost,

Extended Replacement Cost—the insurer agrees to pay more than the property's insurable replacement cost, or

Replacement Cost—the insurer agrees to pay up to 100% of the property's insurable replacement cost.

4) The Association budgeted \$580,000 for insurance based upon insurance costing \$552,818 in 2021. To cover additional premium costs, the Association will need a special assessment. Having fire insurance in place goes to the very heart of maintaining Hamilton Cove. Fire insurance underlies Owners' mortgages, and the Board is ordered by the CC&Rs to have fire insurance in place. Without fire insurance in place, Owners' mortgages could be called.

Attached hereto are the 2022 Insurance Proposal, Proposed Insurance Costs compared to prior years and the Insurance Marketing Spreadsheet which were furnished to the Board prior to the meeting.

The Board heard from Bob Hessler who detailed the difficulty he incurred in obtaining insurance proposals:

- He began seeking insurance proposals the last week of December 2021.
- The carriers who previously insured Hamilton Cove either pulled out of the market or made proposals that would have totaled \$2,000,000 for fire insurance alone.
- He reached out to additional intermediate brokers and carriers and with great difficulty finally came up with proposals from seven carriers which totaled the \$82,000,000 of coverage required.
- He is aware of many instances where people have been unable to obtain fire insurance other than California Fair Plan which is limited to \$3,000,000 and is not available to condominium developments.
- Hamilton Cove has the worst fire rating—it is in a brush area with an inadequate fire department.
- He finally had success with London insurance companies although it was difficult putting the seven carriers together for the total amount.

Mr. Hessler answered all of the questions raised by the Board. He explained that increasing the deductible would have virtually no effect on the cost.

The Members of the Board discussed the situations at length but could not come up with any alternative but to approve the proposed insurance,



approve a special assessment to pay for the insurance, approve financing part of the premium and approve borrowing from the Replacement Fund to pay the balance of the premiums. .

UPON A MOTION DULY MADE AND SECONDED, the following resolutions were unanimously adopted:

RESOLVED because the Board could not have foreseen the unprecedented increase in premiums for fire insurance which the Board learned of on 3/17/2022 and because there was not time to notice and hold a regular Board Meeting before the insurance renewal date, this emergency meeting was duly called by the President pursuant to Civil Code Section 4923 which provides:

An emergency board meeting may be called by the president of the association, or by any two directors other than the president, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice as required by Section 4920;

FURTHER RESOLVED that Section 9.01 of the Association's Restated CC&Rs requires the Association to maintain

fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement cost of the Common Property and those portions of the Condominiums consisting of all fixtures, installations or additions comprising a part of the buildings housing the Condominiums and all built-in or set-in appliances, cabinets and initial basic floor coverings, as initially installed or replacements thereof in accordance with the original plans and specifications for the Project, or as installed by or at the expense of the Owners

which insurance underlies any mortgage secured by an Owner's condominium, the Board must take appropriate action to obtain such insurance.

FURTHER RESOLVED because the amount budgeted for insurance, \$580,650, was based upon the cost of insurance in prior years and at the time

the budget was established the Board had no idea that the cost of fire insurance would increase 162% over the prior year, when the average increase over the last ten years was 11%, the Board finds that the additional amount needed for fire insurance was not and could not have been reasonably foreseen in the budgeting process.

FURTHER RESOLVED the Board hereby approves a Special Assessment in the amount of \$760,000 for the purpose of paying the difference between the amount budgeted for insurance, the actual cost of insurance and the cost of financing a portion of the premiums. The Special Assessment will be billed as follows:

Class I Owners--\$4050 payable \$450 per month starting April 2022 for nine months, provided if paid in full by April 30, 2022, a 5% discount applies requiring a payment of \$3848.

Class III Owners-\$1500 payable \$167 per month starting April 2022 for nine months, provided if paid in full by April 30, 2022, a 5% discount applies requiring a payment of \$1425.

This Special Assessment which is greater than 5% of the 2022 budgeted expenses, the limit provided in Section 1366 of the Civil Code, is approved pursuant to the following additional provision of Civil Code Section 1366:

. This section does not limit assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:

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(3) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible that could not have been reasonably foreseen by the board in preparing and distributing the pro forma operating budget under Section 1365. However, prior to the imposition or collection of an assessment under this subdivision, the board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution

shall be distributed to the members with the notice of assessment;

FURTHER RESOLVED the President is authorized to finance a portion of the premiums needed in accordance with the Premium Finance Agreement attached hereto; and

FURTHER RESOLVED the Association may borrow up to \$700,000 from the Replacement Fund to be repaid within one year in order to pay the balance of the premiums for insurance.

The above minutes were reviewed and unanimously approved by the Board of directors/

March 20, 2022

*Martin Curtin*

Martin Curtin, Secretary

**PROPOSAL**  
**Of**  
**INSURANCE**  
**For**

**Hamilton Cove Homeowners Association**

**Prepared by:**

**Hessler Insurance Solutions**  
An Affiliate of Professional Insurance Associates, Inc.  
74121 University Pointe Court  
Palm Desert, CA 92211



**Named Insured:** Hamilton Cove Homeowners Association

**Insurance Carrier:** Underwriters at Lloyds of London  
Through Howden Specialty; Non-Admitted

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Primary Property including:  
Buildings  
Personal Property \$100,000  
Business Income Excluding Extra Expense  
Ordinance or Law

**Locations:**

1. 1-81 Camino De Flores Avalon, CA 90704
2. 45-89 Gaviota Avalon, CA 90704
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake with other exclusions per policy forms and specified in the quote.

**Limits:** \$10,000,000 Per Occurrence Per Schedule

**Sublimits of Liability:** \$5,000,000 Ordinance or Law Coverage B+C  
Actual Loss Business Income; 72 hour waiting period  
\$100,000 Personal Property  
Included Ordinance or Law Coverage A  
\$1,600,000 Business Income  
Sublimits are included in the Limit of Liability and are not in addition to the Limit of Liability

**Deductible:** \$100,000 per occurrence

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$425,000.00</b>	<b>100% Annual Minimum and Deposit</b>
<b>Taxes:</b>	<b>\$ 12,750.00</b>	
<b>CRC Broker Fee:</b>	<b>\$ 6,500.00</b>	
<b>Total:</b>	<b>\$445,312.50</b>	

**Terrorism:** Not Applicable



**Insurance Carrier:** Underwriters at Lloyds of London  
Miller Specialty; Non-Admitted

**Policy Term:** March 22, 2022 to March 23, 2023

**Coverage:** Excess Property Including:  
Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:**

1. 1-81 Camino De Flores Avalon, CA 90704
2. 45-89 Gaviota Avalon, CA 90704
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$10,000,000  
Per Schedule Excess of \$10,000,000

**Deductible:** As per primary

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$200,000.00</b>
<b>Taxes:</b>	<b>\$ 6,500.00</b>
<b>CRC Broker Fee:</b>	<b>\$ 3,000.00</b>
<b>Total:</b>	<b>\$209,500.00</b>

**Terrorism:** \$ Not Quoted

**Insurance Carriers:** Landmark American Ins. Co. (25%)  
Underwriters at Lloyds: Ascot Ethos (25%)  
Great Lakes Ins. SE (50%)  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Excess Property Including:

Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:**

1. 1-81 Camino De Flores Avalon, CA 90704
2. 45-89 Gaviota Avalon, CA 90704
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$10,000,000 Per Occurrence Per Schedule  
Excess of \$20,000,000

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$150,000.00</b>
<b>Policy Fees:</b>	<b>150.00</b>
<b>Taxes and Fees:</b>	<b>\$ 4,879.88</b>
<b>CRC Broker Fee:</b>	<b>\$ 3,000.00</b>
<b>Total:</b>	<b>\$158,029.88</b>

**Terrorism:** \$8,500.00 Additional

**Insurance Carriers:** AXIS Surplus Insurance Company  
Mt. Hawley Ins. Co.  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Excess Property Including:  
Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:**

1. 1-81 Camino De Flores Avalon, CA 90704
2. 45-89 Gaviota Avalon, CA 90704
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$5,000,000 Per Occurrence Per Schedule  
Excess of \$30,000,000

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$100,000.00</b>
<b>Policy Fee:</b>	<b>\$ 250.00</b>
<b>Taxes:</b>	<b>\$ 3,258.13</b>
<b>Broker Fee:</b>	<b>\$ 2,500.00</b>
<b>Total:</b>	<b>\$106,008.13</b>

**Terrorism:** \$ 10,000.00 Additional

**Insurance Carrier:** Evanston Insurance Company  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Excess Property Including:  
Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:**

1. 1-81 Camino De Flores Avalon, CA 90704
2. 45-89 Gaviota Avalon, CA 90704
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$5,000,000 Per Occurrence Per Schedule  
Excess of \$35,000,000



**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$80,000.00</b>
<b>Taxes:</b>	<b>\$ 2,600.00</b>
<b>Broker Fee:</b>	<b>\$ 2,000.00</b>
<b>Total:</b>	<b>\$84,600.00</b>

**Terrorism:** **\$ 8,000.00 Additional**

**Insurance Carriers:** Kinsale Insurance Company (50%)  
Mercer Insurance Company (25%)  
Ironshore, A Liberty Mutual Company (25%)  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Excess Property Including:  
Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:** 1. 1-81 Camino De Flores Avalon, CA 90704  
2. 45-89 Gaviota Avalon, CA 90704  
3. 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$10,000,000 Per Occurrence Per Schedule  
Excess of \$40,000,000

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$150,000.00</b>
<b>Taxes:</b>	<b>\$ 4,894.50</b>
<b>Crouse Broker Fee:</b>	<b>\$ 3,750.00</b>
<b>Total:</b>	<b>\$158,644.50</b>

**Terrorism:** \$ 8,500.00 Additional

**Insurance Carrier:** Underwriters at Lloyds, Price Forbes  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Excess Property Including:  
Buildings  
Personal Property  
Business Income Excluding Extra Expense

**Locations:**

- 1-81 Camino De Flores Avalon, CA 90704
- 45-89 Gaviota Avalon, CA 90704
- 36-97 Playa Azul Avalon, CA 90704

**Perils:** Risks of direct physical loss or damage excluding Flood, Earthquake, Earthquake Sprinkler Leakage with other exclusions per policy forms and specified in the quote.

**Limits:** \$32,791,104 Per Occurrence Per Schedule  
Excess of \$50,000,000

**Exclusions:** Earthquake, Earthquake Sprinkler Leakage, Flood, Asbestos, Terrorism, Biological or Chemical Materials, Mold Mildew and Fungus, War, Radioactive Contamination Radioactive Contamination, Misrepresentation and Fraud, and other exclusions as may be contained in the policy.

<b>Premium:</b>	<b>\$95,000.00</b>
<b>Taxes:</b>	<b>\$ 3,087.50</b>
<b>Crouse Broker Fee:</b>	<b>\$ 2,300.00</b>
<b>Total:</b>	<b>\$100,387.50</b>

**Terrorism:** Not quoted

**Named Insured:** Hamilton Cove Homeowners Association

**Insurance Carrier:** Nationwide Mutual Insurance Company  
A.M. Best's Rating: A XV

**Coverage:** Commercial Auto Coverage

<b>Limits / Deductibles:</b>	\$1,000,000	Liability
	\$ 100,000	Underinsured Motorists
	\$ 100,000	Uninsured Motorists
	\$ 5,000	Med Pay
	\$1,000,000	Non-Owned / Hired Auto Liability
	\$ 500	Deductible Comprehensive
	\$ 500	Deductible Collision

**Vehicle Schedule:**

1994 Nissan Pickup	VIN # 1N6SD11S4RC322684
1995 GMC Sierra Pickup	VIN # 1GTFC24H4SZS55304
1996 Yamaha Golfcart	VIN # JNS202672
2004 Vantage WTI	VIN # LFWA1F1244JA91141
2004 Yamaha Golfcart	VIN # JN0018368
2004 Yamaha Golfcart	VIN # JU0104269
2004 Yamaha Golfcart	VIN# JU0010170
2000 Dodge Ram	VIN# 3B6MC36W7M235255
2000 Yamaha Golfcart	VIN# JN6409772
2006 Yamaha Golfcart	VIN# JU0313675

**Premium:** \$12,190.60

**This is on direct bill to the insured.**

**Insurance Carrier:** Nautilus Insurance Company  
Non-Admitted;

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** General Liability  
Occurrence

<b>Limits of Liability:</b>	\$2,000,000	General Aggregate
	\$2,000,000	Products/Completed Operations
	\$1,000,000	Personal & Advertising Injury
	\$1,000,000	Each Occurrence
	\$ 100,000	Fire Legal Liability



\$ 5,000 Medical Payments  
\$ 1,000 Per Claim Deductible

**Terms:** Subject to the terms, conditions, limitations of the policy.  
25% minimum earned premium

**Exclusions:** Employment Related Practices; Claims by Members;  
Absolute Pollution; Fungi or Bacteria (Mold); Silica or  
Silica Related Dust; Designated Professional Services; New  
Entities; Assault and Battery; Property Entrusted; Nuclear  
Energy

**Subject to:** Acceptable inspection / loss control report  
Signed Terrorism Rejection Form Prior to Binding if  
Terrorism coverage rejected

**Security Payroll:** \$175,000

<b>Premium:</b>	\$24,976.00	<b>Minimum Annual (excluding Terrorism)</b>
	\$ 816.60	<b>State Tax</b>
	\$ 250.00	<b>Crouse Broker Fee</b>
	<u>\$ 150.00</u>	<b>Carrier Policy Fee</b>
<b>TOTAL ANNUAL</b>	<b>\$26,192.60</b>	

**Terrorism:** \$1,600 Additional

**Insurance Carrier:** Nautilus Insurance Company

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Umbrella Liability

**Limits of Liability:** \$5,000,000 Each Occurrence  
\$5,000,000 General Aggregate

**Terms & Conditions:** No Flat Cancellations / 25 % minimum earned premium; subject  
to terms, conditions, and limitations of the policy

**Endorsements:** Follow Form: General Liability

**Exclusions:** Garage Liability; Garagekeepers Legal Liability; Liquor Liability; Pesticide Liability; Boats; Aircraft; Sexual Abuse or Molestation; Terrorism; Bacteria or Fungi; Intellectual Property; Lead; Personal Injury; Professional Services; Waterskiing; Employee Benefits Liability and others per policy.

<b>Premium:</b>	<b>\$15,561.00</b>	<b>Minimum Annual Premium</b>
	<b>\$ 150.00</b>	<b>Carrier Policy Fee</b>
	<b>\$ 250.00</b>	<b>Crouse Broker Fee</b>
	<b>\$ 510.61</b>	<b>State Tax</b>
	<b>\$16,471.61</b>	<b>TOTAL ANNUAL PREMIUM</b>

**Insurance Carrier:** **Continental Casualty Company**  
A. M. Best's Rating: A XV

**Policy Term:** March 22, 2022 to March 22, 2023

**Coverage:** Directors & Officers

**Limits of Liability:** \$1,000,000 Each Occurrence/Aggregate **Ded:** \$ 5,000

**Coverage:** Fidelity & Forgery Deductible

<b>Limits of Liability:</b>	\$1,000,000	Computer Fraud	\$10,000
		Includes Wire Transfer	
	\$1,000,000	Employee Theft	\$10,000
	\$ 25,000	Forgery and Alteration	\$ 250
	\$ 25,000	Theft, Disappearance	\$ 0

**\$1,000,000 General Aggregate**

<b>Premium:</b>	<b>\$6,176.00</b>	<b>Flat annual premium</b>
	<b>\$ 500.00</b>	<b>RLA Broker Fee</b>
	<b>\$ 35.00</b>	<b>Carrier Policy Fee</b>
	<b>\$6,711.00</b>	<b>TOTAL ANNUAL PREMIUM</b>

## **PREMIUM SUMMARY**

<b>Primary Property \$10 million Limit</b>	<b>\$445,312.50</b>
<b>Excess Property \$10m X \$10m</b>	<b>\$209,500.00</b>
<b>Excess Property \$10m X \$20m</b>	<b>\$158,029.88</b>
<b>Excess Property \$5m X \$30m</b>	<b>\$106,008.13</b>
<b>Excess Property \$5m X \$35m</b>	<b>\$ 84,600.00</b>
<b>Excess Property \$10 X \$40</b>	<b>\$158,644.50</b>
<b>Excess Property \$32.8m X \$50m</b>	<b>\$100,387.50</b>
<b>Auto</b>	<b>\$ 12,190.60</b>
<b>General Liability</b>	<b>\$ 26,192.60</b>
<b>Umbrella Liability</b>	<b>\$ 16,471.61</b>
<b>Directors &amp; Officers/Crime</b>	<b>\$ 6,711.00</b>
<b>Total</b>	<b>\$1,324,048.32</b>
<b>Building Value</b>	<b>\$81,091,104</b>
<b>Square Foot Value</b>	<b>\$341.37</b>



HAMILTON COVE INSURANCE												
2022-2023		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FIRE INS												
\$10,000,000	Primary Property	\$ 445,312.50	\$222,075	\$196,224	\$177,470	\$173,998	\$173,998	\$173,998	\$168,095	\$168,095	\$160,849	\$132,658
\$10,000,000	Excess Property	\$ 209,500.00	\$64,782	\$58,371	\$53,441	\$50,943	\$24,345	\$24,345	\$24,345	\$26,915	\$64,194	\$62,500
\$10,000,000	Excess Property	\$ 158,029.88	\$63,450	\$73,155	\$63,574		\$24,603	\$24,603	\$24,603	\$27,183		
\$5,000,000	Excess Property	\$ 106,008.13	\$52,875	\$31,500	\$27,050	\$45,729	\$45,729	\$43,837	\$40,741	\$43,837		
\$5,000,000	Excess Property	\$ 84,600.00	\$79,313	\$24,875	\$22,156							
\$10,000,000	Excess Property	\$ 158,644.50										
\$32,000,000	Excess Property	\$ 100,387.50										
\$82,000,000	SUBTOTAL	\$1,262,482.51	\$482,494	\$384,125	\$343,691	\$270,670	\$268,675	\$266,783	\$257,784	\$266,030	\$225,043	\$195,158
	INCREASE FROM PY	162%	26%	12%	27%	1%	1%	3%	-3%	18%	15%	
	Auto	\$ 12,129.60	\$12,262	\$12,291	\$10,066	\$8,814	\$8,780	\$8,856	\$7,556	\$7,556	\$7,556	\$7,556
	General Liability	\$ 26,192.60	\$33,196	\$33,018	\$34,353	\$33,470	\$33,470	\$33,214	\$33,100	\$31,269	\$29,595	\$29,552
	Umbrella Liability	\$ 16,471.61	\$17,654	\$13,310	\$11,515	\$10,559	\$10,559	\$10,559	\$10,280	\$10,010	\$9,500	\$9,500
	D&O	\$ 6,711.00	\$7,211	\$6,711	\$7,460	\$6,695	\$6,712	\$3,780	\$3,625	\$3,625	\$3,425	\$3,171
	TOTAL	\$1,324,048.32	\$552,817	\$449,454	\$407,084	\$330,208	\$328,196	\$323,192	\$312,345	\$318,490	\$275,118	\$244,937
	INCREASE FROM PY	\$ 771,231.43	\$103,363	\$42,370	\$76,877	\$2,012	\$5,004	\$10,847	-\$6,145	\$43,371	\$30,181	
	INCREASE FROM PY	140%	23%	10%	23%	1%	2%	3%	-2%	16%	12%	



HAMILTON COVE MARKETING SPREADSHEET				
	Insurance Carrier	Limit	Premium	
			w/o taxes & Fees	
1	Westchester	\$2,500,000	\$300,000	Primary \$2.5m
2	Westchester	\$2,500,000	\$250,000	Quota Share \$2.5 of \$5m X \$20m
3	Arch	\$2,500,000	\$250,000	Quota Share \$2.5 of \$5m X \$20m
4	Markel-Evanston	\$5,000,000	84,600	Excess \$35,000,000 incl TF
5	RLI-Mt. Hawley	\$2,500,000	\$50,000	\$2.5 p/o \$5m X \$30m w Axis
6	Price Forbes-Lloyds	\$27,791,104	\$77,000	Almost matching last year price \$75,000
7	Price Forbes-Lloyds	32,791,104	\$95,000	Excess \$50,000,000
8	Axis	2,500,000	\$167,000	p/o Excess \$5,000,000
9	Axis	\$2,500,000	\$50,000	\$2.5 p/o \$5m X \$30m w RLI
10	Kinsale	\$5,000,000	\$50,000	\$5m p/o \$10m X \$40m
11	Aspen			Decline-
12	AWAC	\$2,500,000	\$100,000	Quote came in twice the indication
13	Ironshore	\$2,500,000	50,000	\$2.5 p/o \$10m X 40m with Kinsale, UFG
14	UFG	\$2,500,000	50,000	\$2.5 p/o \$10m X 40m with Kinsale, Irons
15	Hartfort			Cannot consider PC 10
16	Starr			Decline-No habitational
17	Canon-Lloyds			Decline
18	CM Vantage			Decline
19	Colony			Colony-Exited Property Market
20	Dual			Decline-Wild Fire/Frame Construction
21	Golden Bear			Decline-Too large
22	Hudson			Decline-Brush
23	Intact			Decline-Brush
24	Arrowhead			Decline-nothing on Catalina
25	James River			Decline-Wild Fire/Frame Construction
26	RSUI-Landmark CRC	\$2,500,000	\$100,000	\$2.5 p/o \$5m X \$5m
27	Faraday/Lloyds/Miller CRC	\$5,000,000	\$300,000	Primary
28	Avondale Ins. Associates			Decline-PC Class 10
29	Beazley Ins. Co.			Not competitive on primary; No excess
30	Bell and Clements Limited			Decline-TIV max \$35m
31	KBIC			Decline-location of risk
32	Lexington Specialty			Decline-Not Competitive
33	Liberty International Underwriters			Decline-Change in Appetite
34	Prime Insurance Company			Decline-Market of Last Resort \$\$\$\$
35	RK Harrison Ins. Brokers Ltd.			Bought by Howden
36	Skyward Specialty Ins. Group			Decline-Values too large
37	Hanover-Merit Specialty			Decline-Values too large
38	Travelers Property Casualty			Decline- PC10
39	WKF&C Underwriting Managers			Decline-Wildfire Scores
40	Insurisk			Decline-Wildfire Scores
41	RSUI-Landmark CRC	\$2,500,000	\$62,500	\$2.5 p/o 10X20
42	Ethos	\$2,500,000	62,500	\$2.5 p/o 10X20
43	Rivington-Great Lakes	\$5,000,000	\$125,000	\$5.0 p/o 10X20
44	CIBA			Confirmed 3-16; No brush hazard
45	Miller Lloyds	\$10,000,000	\$200,000	\$10m X \$10m; In negotiations
46	Howden/Lloyds	\$10,000,000	\$475,000	Primary \$10m \$50k Deductible
47	Howden/Lloyds	\$10,000,000	\$425,000	Primary \$10m \$100k Deductible
48	Diamond State			Decline-too large
49	Prosight			Too large for their appetite
50	BHHC			Decline-No condos over 12 units/bldg
51	NSM Insurance			Decline-too large
52	Strata Underwriting Mgrs			Decline-age and location
53	FM Global			Decline-class
54	Affiliated FM			No Island Exposure
55	Comstar			No Wildfire Exposure-Maybe Next Year
56	Kinsale	\$5,000,000	\$100,000	\$5m p/o \$10m X \$40m
57	Amalgamated Ins. Underwriters			No longer writing on Catalina

Suggested Carriers	Limits	Indications	Status in tower	Taxes & Fees

	Howden/Lloyds	\$10,000,000	\$425,000	Primary \$10m \$100k Deductible	\$20,312.50	1
	Miller Lloyds	\$10,000,000	\$200,000	\$10m X \$10m; In negotiations	9,500	2
	Rivington/Ethos/RSUI	\$10,000,000	\$150,000	\$10m X \$20m	8,029.88	3
	Axis/RLI Mt. Hawley	\$5,000,000	\$100,000	\$5m X \$30m	6,008.13	4
	Markel-Evanston	\$5,000,000	\$80,000	\$5m X \$35m	\$4,600	\$5
	Ironshore/Kinsale/UFG	\$10,000,000	\$150,000	\$10m X \$40m	8,645	6
	Price Forbes Lloyds	\$32,791,104	\$95,000	\$32m X \$50m	\$5,388	\$7
	Total	\$82,000,000	\$1,200,000		\$62,482.51	
	Other Insurance					
	General Liability Nautilus		\$26,192.60			
	Umbrella Nautilus		\$16,471.61			
	D&O/Crime		\$6,711			
	Total		\$49,375.21			



CAL.PROCESSING@IPFS.COM  
777 SOUTH FIGUEROA ST STE 300  
LOS ANGELES, CA 90017  
(800)541-2384 FAX: (213)457-1915  
CUSTOMER SERVICE: (866)412-1821

**PREMIUM FINANCE AGREEMENT**  
**License # 973 9750**

**IPFS CORPORATION**  
**OF CALIFORNIA**

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$814,342.38</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$162,868.48</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$651,473.90</b>

**AGENT**  
(Name & Place of business)  
HESSLER INSURANCE SOLUTIONS  
  
74121 UNIVERSITY POINTE CT  
  
PALM DESERT, CA 92211-2973  
(909)337-9437 FAX: (909)494-8338

**INSURED**  
(Name & Residence or business)  
HAMILTON COVE HOA  
PO BOX 1573  
  
AVALON, CA 90704-1573  
(310)510-9500  
hamiltoncoveassoc@sbcglobal.net

Commercial

Quote Number: 19014235

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**  
Additional Policies Scheduled on Page 3

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled
4.450%	\$13,361.10	\$651,473.90	\$664,835.00

**YOUR PAYMENT SCHEDULE WILL BE**

<b>Number Of Payments</b>	<b>Amount Of Payments</b>	<b>When Payments Are Due</b>
10	\$66,483.50	Beginning: MONTHLY 04/22/2022

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

**Security:** Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.  
**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.  
**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	03/22/2022	LLOYD'S LONDON - CERTAIN UNDERWRITE CRC INSURANCE SERVICES	PHYSICAL DAMAGE	0.000%	12	200,000.00 Fee: 3,000.00 Tax: 6,500.00
Broker Fee:						\$0.00
TOTAL:						\$814,342.38

The undersigned insured directs IPFS Corporation of California (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement. **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

**NOTICE:** A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

**FOR INFORMATION CONTACT THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS,  
STATE OF CALIFORNIA**

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

*Norris J. Bishton, Jr.*  
Signature of Insured or Authorized Agent  
PRESIDENT

3/21/2022  
DATE

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
DATE



Insured and Lender further agree that: **4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$15.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct. Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of California will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

#### AGENT/BROKER REPRESENTATIONS

The agent/broker executing this, and any future, agreements represents, warrants and agrees: (1) installment payments totaling \$0.00 and all applicable down payment(s) have been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.



**AGENT**

(Name & Place of business)  
 HESSLER INSURANCE SOLUTIONS

74121 UNIVERSITY POINTE CT

PALM DESERT, CA 92211-2973  
 (909)337-9437 FAX: (909)494-8338

**INSURED**

(Name & Residence or business)  
 HAMILTON COVE HOA  
 PO BOX 1573

AVALON, CA 90704-1573  
 (310)510-9500  
 hamiltoncoveassoc@sbcglobal.net

Account #: \_\_\_\_\_

**SCHEDULE OF POLICIES**  
**(continued)**

Quote Number: 19014235

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	03/22/2022	LLOYD'S LONDON - CERTAIN UNDERWRITE CRC INSURANCE SERVICES	PROPERTY	25.00%	12	50,000.00 Fee: 1,150.00 Tax: 1,629.88
PENDING	03/22/2022	GREAT LAKES INSURANCE SE CRC INSURANCE SERVICES	PROPERTY	25.00%	12	50,000.00 Fee: 1,000.00 Tax: 1,625.00
PENDING	03/22/2022	LANDMARK AMERICAN INS CO CRC INSURANCE SERVICES	EXCESS PROPERTY	25.00%	12	50,000.00 Fee: 2,500.00 Tax: 1,625.00
PENDING	03/22/2022	LLOYD'S LONDON - CERTAIN UNDERWRITE CRC INSURANCE SERVICES	PROPERTY	0.000%	12	425,000.00 Fee: 6,500.00 Tax: 13,812.50
TOTAL:						\$814,342.38