

Fellow Homeowners,

The board is pleased to announce Towne Insurance as our HOA insurance provider for 2024/25. Our insurance premium has been reduced from **\$341,678** to **\$315,615: a total savings of \$26,063 and \$155 per household**. This insurance coverage commenced April 3 and extends through April 3, 2025.

The recently updated document language provides necessary relief from the risk of interior claims thereby making Lion's Gate HOA much more competitive and attractive to insurance brokers. Thank you to all homeowners who trusted and supported our efforts to adopt the new documents. Please review *Article 8: Insurance and Casualty Losses of the Second Amended and Restated Declaration* to fully understand the homeowner responsibilities regarding an H06 policy.

The BAM website also provides the following additional information:

- **Towne Insurance: An Introduction**
- **Allocating Insurance Deductibles (H0-6 Requirement)**
- **Lion's Gate HOA documents**

Thomas Bissette, Blue Atlantic Management (BAM) owner/operator, was an integral part of this complicated insurance bidding process. The board appreciates and thanks Thomas for his significant engagement, expertise and support compared to what was previously received by CEPCO.

Our buildings are written on a special form with several enhancements. We now have "special perils coverage" which provides the most protection for our property. This type of coverage is extraordinarily different from our previous "basic and broad-form" coverage. Rather than providing protection for perils specifically identified on the policy, special perils coverage covers all perils UNLESS they are specifically excluded. Additionally, Towne Insurance has an in-house claims advocacy team to assist at no charge if/when a loss occurs as well as a library of free educational materials.

Because all homeowners are concerned with the ever-increasing coastal insurance premiums, the board chose NOT to include the wind deductible buy back (WDBB) coverage at a cost of \$32,038. This is a sensible decision given our new roofs as well as the current and forecasted HOA financial reserve position.

As always your HOA board is available to address your concerns.

Insurance Background Information

Ward and Smith Legal Opinion:

The HOA is required to carry insurance on all townhome buildings so that in the event of loss they can be rebuilt back to the original specifications, including the interior of all the units (i.e. original specs). If owners have upgraded their units (i.e. added anything different than the original specifications) those upgrades are considered betterments and improvements and the HOA is not responsible for insuring those improvements.

***This coverage requirement is found in Article 8, Section 8.1(b) of the second amended and restated Declaration.*

Recommended Actions:

- Ensure an H0-6 policy adequately protects your specific unit
- Consider replacing the original polybutylene interior pipes; these are “ticking time bombs” for extensive interior water damage.
 - Polybutylene pipes deteriorate in 10-15 years;
 - Leaks can be difficult or even impossible to notice if significant damage has occurred behind sheetrock.

Payment Information/Options:

Monthly HOA assessments are currently paid by check or auto-draft. Owners using auto-draft will not need to change anything; BAM will update the draft. The new monthly amount for those who pay by check is \$519.00. (Dues are \$362 and insurance assessment is \$157). Quarterly insurance premiums are now reduced to \$471. BAM will continue to bill the same way and send an invoice.