

Regency Point Townhomes Association, Inc.

MINUTES
FROM BOARD OF DIRECTORS MEETING
Rescheduled - Thursday, January 11, 2024
5:30pm
Regency Point Townhomes – Virtual Meeting – Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/86509925233?pwd=MGIa1BNbE5oSTh0TW0rZENvRXo3Zz09>

Meeting ID: 865 0992 5233

Passcode: 179970

One tap mobile

+13462487799,,86509925233#,,,,*179970# US (Houston)

+16694449171,,86509925233#,,,,*179970# US

The meeting was called to order at 5:30pm by Raphael Taylor.

Present - Raphael Taylor –President

Absent - Jason Huckabee – Treasurer

Present- Brett Moreland – Secretary

Present - Brandon Boyd – Director

Present- James “Buddy” Walters – Director

ACMG – Jennifer Stanley, Community Manager

Owners

Minutes: December 11, 2023 Board of Director Meeting Minutes

The Board approved the December 11, 2023 Board of Directors Meeting Minutes.

Attorney Meeting: January 4, 2024 2:00pm Virtual Zoom Meeting

Discussion: The Board held a virtual meeting with the Association’s Attorney, Travis Owens to discuss alternative options for the Association’s Insurance Policies.

Insurance Policy Meeting: January 11, 2024 2:00pm Virtual Zoom Meeting

Discussion: The Board held a virtual meeting with the Association’s Insurance Agent, Bill Mason, Associations Insurance Co., Daniel Malhotra and Jeffrey Macleod, Insurance Brokers US Risk.

Regency Point Townhomes Association, Inc.

Subject: Regency Point Townhome - Alternative Option

I spoke with U.S. Risk this morning and both Daniel and Jeffrey over there indicated that they were still looking into other options for the association. We wanted to make sure that no stone was left unturned on this issue.

They obtained an approved quote with the contingency that there are no docks of any kind, just to confirm what the premiums would be. To be safe, they recommend all boat docks are made into their own entity for GL/Property purposes. This quote assumes the association dock is no longer part of the package and the individual docks remain owner responsibility.

They got a 2% W/H deductible package quote (property and general liability combined) for \$122,582.42 before any broker fees. At 5%, it's \$109,194 if I recall correctly. It appears in the quote that any non-named storm event would have a 1% w/h deductible, which would be incredibly good. To put it into perspective, the association's current premium for property and general liability combined is \$211,755.53.

**Please note: This quote is just informational only. It's not valid based on the association's current layout, but it gives you an idea of what might happen were they to restructure so that the dock is part of a separate entity.

This was from the underwriter:

1. We can do clay tile.
2. The risk will have an ACV roof endorsement.
3. If there are no systems that are the responsibility of the insured, we can quote the risk.

I hope this helps.

Best Regards,

BILL MASON

Regency Point Townhomes Association, Inc.

Maintenance Report – TABLED

Building Repairs & Maintenance Unit Repairs

Units 3 & 4 - BIDDING		
Stucco Repairs –		MHB Bid \$7,440
Caulk/Paint -		MHB Bid \$1,503
Unit 62 & 63		
MHB 4ft Concrete Deck Remodel		
Vast Structural Engineering – Received - Bidding		
Unit 63		
Garage Header – Vast Structural Engineering		
Inspected, Braced		
Vast Structural Engineering – Inspection/Specs		
MHB		\$7,572.49 - Updating
Units 72		
Vast Engineering – See Report		

Sports Court

Lighting/Breaker Box Repairs/Timer – **TABLE**

Pool Area

Pool Replaster/Coping/Tiles – **BIDDING**

Dominion Pools	\$29,255
Sunlife Pools	\$25,133
Red Wave Pools	\$15,425

Pool House Drainage Repair – **HOLD FOR WORK DAY**

Test Svc.	\$1,288
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Pool House Wall Interior Repair - **TABLE**

Test Svc.	Sheet Rock – Ext. Wall	\$1,178
	A/C Unit Wall	\$678

Pool House Wall Stucco Exterior Repairs - **TABLE**

Test Svc.	\$924
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Building Painting /Repair Specs – **BIDDING**

More Home Builders	\$211,365
Test Svc.	Updating Bid
Affordable Solutions	Updating Bid
The Woodlands Premiere Remodeling	Bidding

Budget & Funding

Bulkhead Repairs - Committee: Funding \$54,000.00 Balance \$15,474.94
Raphael Taylor, Brett Moreland, Matt Kello, Jason Huckabay

Regency Point Townhomes Association, Inc.

Parking & Towing Policy Draft: TABLE

Architectural Control Procedures Draft: TABLE

Association Attorney Meeting: Zoom 12-6-2023

Raphael Taylor, Brandon Boyd, Proxy James Walters.

Discussion: The Board met with the Owen's Law Firm to discuss the Association's Master Insurance policies and options available to decrease rising costs and difficulty finding carriers. The attorney reviewed the Association Governing Documents as it pertained to insurance requirements and raising the Dues or passing Special Assessments.

The increase in insurance is considered a regular assessment (Third Amendment to Bylaws 6.4(b)), but because the increase is so high, we will need at least fifty (50) percent of a quorum of Members voting in person or by proxy at a meeting duly called to this purpose. (Third Amendment to Bylaws 6.4(b)). It can be increased on March 1st of each year. (Third Amendment to Bylaws 6.4(a)).

Unfortunately, we need to raise our regular assessments, but need a vote in a special meeting before March 1, 2024.

Thank you,
Travis Owens
Owens Law Group, P.L.L.C.
P.O. Box 8605
The Woodlands, TX 77387
Telephone 832.312.3013
Telecopier 832.327.9187
travis@owens-lawgroup.com

New Business:

Master Insurance Policy Renewal 12/6/23 – 12/6/24

Attached is the AIAI Proposal and Comparison for the Regency Townhome Association Insurance Renewal. The renewal date for all lines of coverage is 12/6/2023.

We approached all of carriers we have access to try to find the best option for your renewal. The comparison to the expiring coverage is also included here. We also received the following results from other carriers in the standard/admitted.

- CAU (the incumbent carrier) non-renewed the coverage this year due to the risk not meeting their current carrier underwriting guidelines. It's located in a county that is now prohibited. There is limited CAT capacity available to CAU, and these values were exceeded here.

Regency Point Townhomes Association, Inc.

- Philadelphia declined due to the age of the buildings and fireplace exposure
- Honeycomb declined due to the total insured value exceeding their threshold and the location of the risk.

Lastly, we exhausted every option we had in the surplus lines market (this is the market that is approach once the standard/admitted market has been exhausted). A number of factors came up from the broker we worked with:

- The location of the community proved to be difficult because it is just far enough inland to not qualify for coastal carriers, which may have been more competitive here
- The age of the buildings was an issue for many of the carriers, some of whom declined because of this.
- Lastly, our broker had some other options that might have also been more competitive, but because of the presence of docks, they declined to quote as well.

With all of this taken into consideration, the attached proposal is the very best and only option we were able to obtain for the association. There are a couple of items to note on the proposal:

- The coverage provided is insuring the roofs on an “Actual Cash Value” basis. The carriers were not willing to insure them on a Replacement Cost basis. Actual Cash Value (ACV) means that the carrier will pay what the roofs are worth at the time of a claim, not what it costs to fully replace them. ACV takes depreciation into account when valuing the item. The formula for Actual Cash Value (ACV) = Replacement Cost – Depreciation.
- There are 3 property carriers who quoted here. None of the property carriers approached were willing to insure the full value of the community. As such, you’ll see a primary (listed as (US Risk 1st layer), 2nd and 3rd layers. This is standard in the high-risk surplus lines market. Basically, the first carrier will insure the value up to the first \$5,000,000. The second layer will take the next \$2,500,000, and the 3rd layer will take on the remaining value up to the full \$13,780,000 in total for all 3.

If you have any questions, please feel free to reach out to me. I apologize for the delay and the significant increase. There was a tremendous amount of back and forth and we had to negotiate with these carriers pretty extensively to take on the association. The insurance market as a whole, and particularly in TX, has experienced a major upheaval given the catastrophic losses of the last few years. Rates have been increasing across the board and particularly in certain areas of TX, rates have been significantly increasing.

If the board would like to bind the proposal as quoted, I just need the documents that are highlighted below. These can be sent for electronic signature if that’s easier for you.

Best Regards,
BILL MASON

Regency Point Townhomes Association, Inc.

Account Manager

ASSOCIATIONS INSURANCE AGENCY, INC.

Direct: 214-716-3883

Fax: 214-751-2390

Financials: The Board reviewed the December 2023 Year End Financial Statements \$41,106 in Operating Fund; SA Bulkhead \$15,474; Insurance Downpayment \$41,731; Painting of Buildings \$25,007; Total \$82,214.

The Board reviewed and approved the December 2023 Year End Financials presented.

The Board reviewed a Draft 2024 Budget with a Proposed \$155 Increase in Monthly Maintenance Dues for 51 Townhomes to fund the Increase in Insurance Premiums – Effective March 1, 2024. A Special Call Membership Meeting will be held to vote on the increase.

Adjournment of Board of Directors Meeting:

The meeting was adjourned at 6:30 pm.

Next Meeting: February 10, 2024 10:00am Regency Point Pool House - Special Call Membership Meeting –

Vote for \$155 Increase in Monthly Maintenance Dues for 51 Townhomes to fund the Increase in Insurance Premiums – Effective March 1, 2024.