

**HAMILTON COVE HOMEOWNERS ASSOCIATION
MINUTES
MEETING OF THE BOARD OF DIRECTORS
BY ZOOM
3/14/2026 CONTINUED TO 3/18/2026**

The meeting was called to order at 10:15 AM by President Norris Bishton. The following directors were present by Zoom:

Norris J. Bishton, Jr.
Martin Curtin
Bart Glass
Rimas Butkys
Brent Humphreys

Approximately 45 Owners were present by Zoom, the number varying during the meeting,

APPROVAL OF MINUTES

The minutes of the Board meeting of December 20, 2025, were considered. Mr. Butkys stated he wished to propose changes to the minutes but was not prepared to do so at the present time. President Bishton requested that if any Board Member has extensive changes to the minutes that they be presented in writing before the meeting because it's difficult to deal with extensive changes during the meeting. Approval of the minutes was deferred to a future meeting.

EXECUTIVE SESSIONS

Mr. Bishton reported that the Board has met in Executive Session on March 11th, 2026, at the request of Mr. Butkys who expressed a desire for the Association to issue a broker of record letter to one of the insurance carriers that the Insurance Task Force was dealing with. Mr. Butkys stated that the broker was unable to get a quote from a particular carrier because they had given a quote to Hessler Insurance. The Board has previously declined to issue broker of record letters to any broker in order to promote competition. The Board declined Mr. Butkys' request.

PRESIDENT'S REPORT

Substantial changes have occurred in the property insurance market, and the market continues to improve for the better as carriers are competing for business again. Other than earthquake insurance, all other insurance of the Association becomes due on March 22nd of each year. Despite the fact that the Association has been shopping for insurance proposals for the coming term since the end of last year, including efforts by the Insurance Task Force, actual proposals have not yet been obtained. Consequently, this meeting was scheduled to get an update, and a second meeting was scheduled hopefully to deal with actual proposals so that insurance would be in place by March 22nd.

The Association received a preliminary proposal from Hessler Insurance which reflects total premiums of \$848,262.18 for the coming term, which is substantially less than \$1,504,028.00 paid for the current term. This proposal was available prior to the meeting and was discussed at the meeting by the Directors.

The Insurance Task Force indicated it has potential quotes from two or three carriers. None of the information from the various carriers constituted a proposal the Board of Directors could act upon. As best it can be told at the present time, Hessler Insurance is the best proposal for the insurance coming due on March 22nd. The other proposals were for terms other than the renewal term or appears to be incomplete as to the insurance coverage required.

Some of the Board members had serious questions as to whether the type of insurance offered by Gallagher Insurance met the CC&R requirements, and whether such insurance would be acceptable to various government entities.

It appeared that the Board would not have actual proposals available to it for decision-making until the continuation of this meeting on March 18th.

The proposals vary in terms not only as to the policy period but the actual terms of the insurance. None of the proposals so far are apples-to-apples.

Attached to the notice of the meeting were the provisions of the CC&R's governing insurance, including the requirements that any property insurance must meet the "insurance and fidelity bond requirements for condominium projects established by FNMA, GNMA, and FHLMC".

NEW BUSINESS

A. INSURANCE RENEWALS.

The board engaged in extensive discussion of the insurance requirements and proposals to the extent that the information was available. Representatives of Gallagher Insurance, Labarre Oksnee Insurance, and Hessler Insurance spoke at the meeting and answer any questions raised by the Board members. Generally, the representatives who spoke were complimentary of the conditions of the Association as reflected in the fact that it has little or no claimed losses in the past, unlike other condo associations they are dealing with.

The Board was unable to make a decision with regards to any of the proposal. Mr. Bishton requested that all the insurance brokers to present final proposals of insurance that the Board can act on, and postponed decision making to March 18th. The meeting was adjourned to be recommenced on March 18th, 2026, at 6 PM by Zoom.

**HAMILTON COVE HOMEOWNERS ASSOCIATION
MINUTES
RESUMPTION OF MEETING OF THE BOARD OF DIRECTORS
BY ZOOM
3/18/2026
6:15 PM**

The meeting called to order at 6:15 PM by President Norris Bishton. The following directors were present by Zoom:

Norris J. Bishton, Jr.
Martin Curtin
Bart Glass
Rimas Butkys
Brent Humphreys

NEW BUSINESS

Hessler Insurance submitted a proposal in final form covering all of the insurance requirements of the Association for the term commencing on March 22nd, as well as two proposals to finance some of the premiums required. The Final Proposal was \$846,721, which was \$665,083 less than the prior year. A copy of the proposal is attached here as Exhibit 1.

The Insurance Task Force presented information from four insurance carriers (see Exhibit 2). The summary of the Hessler Proposal presented by the Insurance Task Force was not correct. The actual total premium of the Hessler proposal was \$846,721.

The Gallagher proposal involves a new type of insurance being developed by Gallagher which lumps numerous groups of condominium developments together under a single program. The program started in December 2025. The Gallagher proposal did not cover all the ancillary insurance required by the CC&Rs. The Labarre Oksnee proposal was not an actual proposal because some of its components were not firm. It too also did not cover all the ancillary insurance required by the CC&Rs.

Marsh & McClennan did not make a proposal.

Mr. Bishton reminded the Board that in making a decision, Board Members are required to use their best business judgment and further required to look at all aspects of a proposal, not just the proposal's price.

The various proposals were discussed by the Board Members and with representatives of the brokers making offers. After everyone had an opportunity to speak, a vote was held as to which proposal the Association would accept for the coming term: Mr. Bishton – Hessler Proposal, Mr. Curtin – Hessler Proposal, Mr. Glass – Hessler Proposal, Mr. Humphreys – Gallagher Proposal, and Mr. Butkys – Gallagher Proposal.

Mr. Bishton pointed out that there was only one business day left to complete all the necessary paperwork so that the policies would be in effect at midnight March 21st. On motion duly made, seconded, and unanimously approved, the President was authorized to proceed to put into place the insurance reflected in the Hessler Proposal, and to acquire the necessary financing.

Mr. Humphreys expressed concern that the Hessler Insurance proposal might not meet all of the requirements of the CC&Rs. Mr. Humphreys moved that the members of the Board be allowed to submit additional questions the following day as to whether Hessler Insurance proposal meets CC&R requirements. The motion was seconded and unanimously approved.

The only question subsequently raised involving requirements of the CC&Rs was whether the insurance obtained by Hessler constituted “a policy [that] provides full replacement costs on a true blanket basis with no coinsurance penalty and no margin clause (of any percentage).” The CC&R has no such requirements. The CC&Rs call for a policy “in an amount as near as possible to the full replacement costs of the common Property and those portions of the Condominiums consisting of all fixtures, etc...”.

Subsequent to the meeting, the insurance reflected in the Hessler proposal was put into place effective midnight March 21st, 2026.

EXECUTIVE SESSION

The Board did not meet in Executive Session.

March 18, 2026

Martin Curtin, Secretary

Exhibit 1

PROPOSAL

Of

INSURANCE

For

Hamilton Cove Homeowners Association

Prepared by:

Hessler Insurance Solutions

An Affiliate of Panorama Insurance Associates, Inc.

74121 University Pointe Court

Palm Desert, CA 92211

3/17/2026

Named Insured:
Hamilton Cove Homeowners Association

Insurance Carrier: Underwriters at Lloyds of London
Through Howden Specialty; Non-Admitted
Ategrity Specialty Insurance Company
Eirion Risk Underwriters

Policy Term: March 22, 2026 to March 22, 2027

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;
Blanket Limits Apply

Sublimits of Liability: Included Demolition & Increased Cost of Construction
Actual Loss Business Income; 72 hour waiting period
\$100,000 Personal Property
\$1,600,000 Business Income for rating

Deductible: **\$50,000 per occurrence**

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

Premium:	\$ 305,000.00	100% Annual Minimum and Deposit
Carrier Fee	2,552.60	
Taxes:	\$ 9,210.00	
CRC Broker Fee:	\$ 4,500.00	
Total:	\$ 321,262.60	
Terrorism:	Not Applicable	

Insurance Carrier: Underwriters at Lloyds of London
Miller Specialty; Non-Admitted
Kinsale Insurance Company
Underwriters at Lloyds Beazley
Mercer Insurance Company

Policy Term: March 22, 2026 to March 22, 2027

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: \$40,000,000 **Blanket Limits Apply**
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.

Premium:	\$ 340,000.00
Policy Fee:	350.00
Taxes:	\$ 10,823.13
CRC Broker Fee:	\$ 8,000.00
Total:	\$ 359,173.13

Terrorism: **\$ Not Quoted**

Insurance Carrier: Underwriters at Lloyds, Ascot/wkfc;
Axis Surplus Lines Insurance Company
Non-Admitted;

Policy Term: March 22, 2026 to March 22, 2027

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: \$40,315,474 Per Occurrence Per Schedule
Excess of \$50,000,000
Blanket Limits Apply

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

Premium:	\$ 90,000.00
Taxes:	\$ 2,871.54
Company Policy Fee	\$ 300.00
CRC Broker Fee:	\$ 1,000.00
Total:	\$ 94,171.54

Terrorism: **\$ 5,046.53**

Named Insured: Hamilton Cove Homeowners Association

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

Coverage: Commercial Auto Coverage

Limits / Deductibles:

\$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: \$ 13,815.60

This is on direct bill to the insured.

Insurance Carrier:	Mesa Underwriters Specialty Insurance Company Non-Admitted;	
Policy Term:	March 22, 2026 to March 22, 2027	
Coverage:	<u>General Liability</u> Occurrence	
Limits of Liability:	\$2,000,000	General Aggregate
	\$2,000,000	Products/Completed Operations
	\$1,000,000	Each Occurrence
	\$ 100,000	Damage to Premises Rented by You
	\$ 5,000	Medical Payments
	\$ 5,000	Per Claim Deductible
Terms:	Subject to the terms, conditions, limitations of the policy. 25% minimum earned premium	
Exclusions:	Pyrotechnicians or Fireworks;.Employment Related Practices; Animal Liability; Asbestos; Liquor Liability; Absolute Pollution; Fungi or Bacteria (Mold); Silica or Silica Related Dust; Assault & Battery; Designated Professional Services; Directors & Officers Liability; Lead Contamination; Nuclear Energy Liability; Auto Liability; others as noted in policy.	
Subject to:	Acceptable inspection / loss control report Signed Terrorism Rejection Form Prior to Binding if Terrorism coverage rejected	
Security Payroll:	\$175,000	
Premium:	\$ 29,606.00	Minimum Annual (excluding Terrorism)
Policy Fee:	\$ 400.00	
	\$ 954.19	State Tax
TOTAL ANNUAL	\$ 30,960.19	
Terrorism:	\$ Not Quoted	

Insurance Carrier: Mesa Underwriters Insurance Company

Policy Term: March 22, 2026 to March 22, 2027

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: Follows General Liability

Premium:	\$ 14,630.00	Minimum Annual Premium
	\$ 400.00	Carrier Policy Fee
	<u>\$ 477.95</u>	State Tax
	\$ 15,507.95	TOTAL ANNUAL PREMIUM

Insurance Carrier:	Continental Casualty Company A. M. Best's Rating: A XV		
Policy Term:	March 22, 2026 to March 22, 2027		
Coverage:	<u>Directors & Officers</u>		
Limits of Liability:	\$1,000,000	Each Occurrence/Aggregate	Ded: \$10,000
Coverage:	<u>Fidelity & Forgery</u>		<u>Deductible</u>
Limits of Liability:	\$1,000,000	Computer Fraud Includes Wire Transfer	\$10,000
	\$1,000,000	Employee Theft	\$10,000
	\$ 25,000	Forgery and Alteration	\$ 250
	\$ 25,000	Theft, Disappearance	\$ 0
	\$1,000,000	General Aggregate	
		Defense Costs are in addition to limits of liability.	
Premium:	\$ 7,427.00	Flat annual premium	
	\$ 500.00	RLA Broker Fee	
	\$ 35.00	Carrier Policy Fee	
	\$ 7,962.00	TOTAL ANNUAL PREMIUM	

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

Policy Term: March 22, 2026 to March 22, 2027

Coverage: Equipment Breakdown PowerPro Select

Limits of Liability: \$87,734,451 **Ded:** \$10,000

\$3,868

PREMIUM SUMMARY

	2026	2025
Primary Property \$10 million Limit	\$ 321,262.60	\$ 497,605.00
Excess Property \$10m X \$10m		\$ 206,546.28
Excess Property \$10m X \$20m		\$ 178,767.13
Excess Property \$5m X \$30m		\$ 116,498.00
Excess Property \$5m X \$35m		\$ 105,180.00
Excess Property \$10 X \$40	\$ 359,173.13	\$ 178,433.03
Excess Property \$37.7m X \$50m	\$ 94,171.54	\$ 138,629.40
Auto	\$ 13,815.60	\$ 12,516.60
General Liability	\$ 30,960.19	\$ 33,946.22
Umbrella Liability	\$ 15,507.95	\$ 26,934.11
Directors & Officers Including Crime	\$ 7,962	\$ 8,123.00
Equipment Breakdown	\$ 3,868	
Total	\$ 846,721.01	\$ 1,504,028

Building Value \$ 88,615,474 Blanket Limits Apply

Exhibit 2

	Hessler Insurance	Ghallagher	LaBarre Oksnee	Marsh & McDiennan
Premium	779,654	756,038	915,885	(D) 610,000.00
Coverage #	90,315,474	90,000,000	90,054,451	87,000,000
Deductible	50,000	25,000	100,000	NA
Business Income	1,500,000	50,000,000	4,500,000	NA
Wildfire Deductible	50,000	150,000 (A)	2,000,000	NA
General Laibility	30,960.19 (B)	30,960.19 (B)	30,960.19	NA
Auto	13,815.60 (B)	13,815.60 (B)	13,815.60	NA
Umbrella	15,507.95 (B)	15,507.95 (B)	15,507.95	NA
D&O	7,962.00 (C)	5,614.00	6,089.00	NA
Financing	27,533.46	9,349.00	25,791.00	NA
Total Premium	875,433.00	831,284.27	1,008,048.74	(44,148.73)
Other Services				
Appraisal	Not included	Included	Software used	
Fire Mitigation	Not included	Included	Included	
Private Fire Fighting Services	Not included	New service	Not included	
Fire sprinkler discount	Not included	Not part of program	Included	Can include but not part of quote
Additional HOA's in group	NA	Lowers premium	NA	NA

- (A) Parametric policy covers full wildfire deductible
- (B) Assumes the policies via BOR
- (C) Assumes the policies via BOR
- (D) Blocked on carrier. Quote almost complete but needed 8 carriers to be unblocked via BOR to solidify quote