

AMENDED AND RESTATED
SEA DUNES CONDOMINIUM ASSOCIATION'S POLICY FOR
REPAIRS OF WATER LEAKS, WINDOWS, DOORS, AND DECKS
DATED SEPTEMBER 22, 2020

POLICY STATEMENT

The Association's Declaration states that a unit owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by the unit owner's (or any member of the family, guests, employees, agents, lessees or invitees) "act, neglect or carelessness." To explain the responsibilities of the Association and the unit owners with respect to a water leak into or water damage to another unit, the Association Board has adopted this Repair and Replacement Policy. This policy also addresses repairs of doors, windows and decks on the following pages.

Each unit owner is responsible for performing maintenance, repairs, and replacements as necessary to prevent water leaks and water damage to their unit or others. The unit owner's responsibility extends to all equipment, plumbing fixtures (shower/tub plumbing, sinks, toilets, washer water connections, dishwasher connections, all interior water connections), appliances, HVAC units, hot water heaters, dehumidifiers, and any other equipment that has a water connection located in their unit ("Owner Items"). In addition, each unit owner must complete the Annual Maintenance Form no later than January 30 of each year and submit it to the Association's management company. The Annual Maintenance Form is located on the Sea Dunes website.

Owner and Association insurance policy coverage for water damage from one unit to another may exclude neglect, carelessness, intentional acts, "slow leaks," or improper maintenance. If an owner fails to perform any necessary maintenance, repairs, and/or replacements of Owner Items, that owner will be solely responsible for the expenses incurred to remedy resulting water leaks and water damage to any affected portion of the condominium property. If an owner performs all necessary maintenance, repairs and/or replacements of Owner Items, leaks or water damage will likely be outside of that owner's control, and that owner's expenses will likely be limited to damage within that owner's unit.

The Board wants to assist unit owners with their required annual maintenance responsibility and significantly reduce leaks and water damage from one unit to other units that are currently occurring in the building. Utilizing a qualified vendor in December 2019, the Board began an annual maintenance inspection of all units to check on sliding doors, windows and easily visible potential problems in order to provide the Association and unit owners a list of issues, if any, and planned corrective actions. The Board plans to continue this policy.

Although this annual maintenance evaluation will not prevent all leaks and water damage, it will help reduce the cost to the owners and the Association, as well as avoid loss of rental income and use of the units, by identifying and possibly resolving potential water issues before these issues are realized. Owners will be notified of deficiencies and be required to make the needed corrections within a reasonable period of time. However, many areas (toilet wax ring seals, supply lines behind or under appliances, in wall shower plumbing etc.) cannot be evaluated this way and remain the responsibility of the owner. This quick annual maintenance survey is not intended to shift any additional legal or monetary responsibility to the Association but is

designed to help the Association and unit owners avoid future problems. Unit owners are still required to submit their Annual Maintenance Form.

FAQ

Is this policy new?

This policy is not new. It is contained in the Association's Declaration and By-Laws and certain provisions of Florida's Condominium Act (the "Act"). The policy is clarified and summarized here for the convenience of owners, guests, and owners' management companies. The required Annual Maintenance Form is a new addition to the mandated policy in the Declaration. The Board believes this addition is in the best interests of the Association and each unit owner to protect the structural integrity of each unit and to reduce the economic impact of water intrusion into units from other units.

Why summarize the policy?

In the past, our building has suffered serious damage resulting from leaks from hot water heaters, carelessness, HVAC and other owner owned appliances as well as Association plumbing lines. These leaks often cause damage in the owner's unit as well as to units below the source of the leak. When this happens, there is often confusion as to who is responsible for repairing the damage - the unit owner of the leak source, unit owners affected by the leak, or the Association. This summary provides guidance on who is responsible.

When is the unit owner responsible for a water damage to their unit?

Most importantly, when an owner has failed to comply with the governing documents or Florida law, that owner will be responsible for the entire cost to repair the resulting damage, including the common elements, that owner's unit, any other affected units, and any personal property within those units. It is important to note that failing to perform routine and customary maintenance is a failure to comply with the governing documents, and the financial consequences can be very serious.

Even in cases where no owner is at fault, each owner is responsible for the cost to repair or replace all personal property within the unit or limited common elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components. A typical condominium unit owner insurance policy will provide coverage for this.

Finally, in situations for which insurance is unavailable, each owner is responsible for the cost to repair other things as set out in the declaration of condominium (e.g., windows and both interior and exterior doors).

When is a unit owner responsible for water damage to other units from a leak in their unit?

The Declaration explains that a unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the unit owner's (or any member of the family, guests, employees, agents, lessees or invitees) "act, neglect or carelessness."

What does “neglect or carelessness” mean?

Neglect means the failure to give proper attention to a person or thing, whether inadvertent, negligent, or willful and the act of treating something heedlessly or inattentively.

Carelessness means when a person either does not do what they should have done or they did what they should not have done.

REMEMBER: OWNERS (NOT RENTAL MANAGERS) MAY BE LIABLE FOR POOR MAINTENANCE WHEN DAMAGES OCCUR TO YOUR UNIT AS WELL AS OTHER UNITS.

What is an example of an intentional act?

When a unit owner pours water or ice from their balcony that lands on a balcony below.

What is an example of a unit owner acting with neglect?

When a unit owner fails to replace their hot water heater when it has reached the end of its useful life and the hot water heater bursts and the water enters into another unit.

What is an example of a unit owner acting with carelessness?

When a unit owner fails to maintain the water lines that run from the HVAC unit into the wall or floor and these become clogged causing water intrusion into another unit.

What if a unit owner’s hot water heater is in good repair and within its useful life but bursts or leaks?

In these circumstances when an appliance is in good repair AND not outside its useful life, the unit owner may or may not be responsible for the damage to another unit. Accidents occur and may be the shared responsibility of the Association and the unit owner depending on the circumstances.

What if the water leak or damage into another unit is caused by an accident or a random occurrence?

In such a rare situation, the unit owner may or may not be responsible for the damage to another unit. Accidents occur and may be the shared responsibility of the Association and the unit owner depending on the circumstances.

What if the water leak or damage into a unit results from an unknown source, a limited common element, or a common element?

If a unit is leaked upon from an unknown source or a limited common element or common element, the Association is responsible for the cost of repairing:

- The perimeter walls, interior columns, interior load-bearing walls, and interior load-bearing partitions (including the drywall and ceiling supports, but not the paint or wallpaper);
- The floors and ceilings that are underneath any paint, carpet, or other covering; and
- “All pipes, ducts, vents, wires, conduits, and other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units” as Common Elements and/or Limited Common Elements.”

The unit owner is responsible for all windows, doors, screening, and Personal Items, which includes everything interior to the drywall including paint.

Will the Association insurance cover the expense of any damage resulting from water damage into another unit?

If the Association has insurance for the cost of the damage, the unit owner will be financially responsible only for the expense not covered by the insurance. Please be aware that there may be many possible limitations in insurance coverage for both the Association's and the Owner's policy such as lack of maintenance, negligence or "slow leaks" etc. Also, a unit owner's intentional act, carelessness, or neglect may negate any coverage the Association provides for water damage.

What happens when the Association's insurance does not completely cover the repairs for which the Association is responsible due to water damage from an unknown source, a limited common element, or a common element?

The Association must pay from funds it has available. Or, an assessment on all units to pay for the expenses related to water damage may be necessary.

What precautions should a unit owner take if going to be away from the unit for a period of time without anyone checking on the unit?

A unit owner should arrange for their management company or someone else to make frequent periodic checks on the unit if the unit will be vacant. Other precautions can include turning off the water to the washer, performing maintenance on water line from the HVAC to the wall or floor, turning off the ice maker in the refrigerator, etc. **Units usually have a main water cut off valve, so an easy way to reduce risk is to simply turn off the water supply.**

Does the Association have a role in a dispute between unit owners regarding who is responsible for water damage resulting from a water leak in another unit?

No, the Association does not resolve such disputes between unit owners. The Association does not involve itself in any negotiation, mediation, arbitration, or litigation between unit owners.

HOW TO REDUCE WATER LEAKS AND WATER DAMAGE FROM OWNER ITEMS

1. Hot water heaters have a useful life of 10 to 12 years. Hard mineral laden water reduces the useful life of hot water heaters. If your hot water heater is over 12 years old, it is definitely time to replace it. Also, a best practice is to drain some of the water from the base of the hot water heater each year to flush out sediment.
2. The air handling equipment in your unit by Florida regulation is required to have a drip pan with a float shut-off valve installed. Condensation from the air handling units have caused overflows, causing a serious leak in the unit and units below. The shut-off valve will turn off the A/C unit thus eliminating further condensation. You should have your unit serviced yearly and include checking if the float cut off switch is operational. Many units also have a backup cut off switch in the condensation drainage line.

3. The drain lines for the air handling units frequently get clogged with mildew/algae that impede the drain. It is important to periodically flush the drain with vinegar or bleach to keep it functional. Standard recommendations are to instill bleach or vinegar (preferably bleach) each time the air filter is changed.
4. Some examples of carelessness are overfilling bathtubs or using toilets for items other than human waste and toilet paper.
5. All units are to have replaced the faulty “blue poly” plumbing at the owner’s expense. It might be worthwhile to have a plumber check your internal plumbing lines to ensure that all the “blue poly” plumbing has been replaced. “Blue poly” is an inferior product that deteriorates over time and spontaneously ruptures.
6. The water supply lines (refrigerator, ice maker, sinks, toilets, dishwashers, washing machine, etc.) should be checked periodically. Also, if older than 10 years, consider replacing them.
7. Toilet seals (wax rings) will deteriorate over time (20 to 30 years) and should be replaced especially if note odor or leaks around toilet base.
8. Plumbing fixtures such as shower controls, although in the walls, are chosen by the owner. Our building is 35 years old and corrosion has caused leaks from them. If your shower controls are original or very old, these should be replaced (often done in units recently remodeled).

WINDOWS, DOORS AND PATIO/BALCONY REPAIRS

Due to the age of our building and the continued deterioration of our ocean front property, major refurbishing was accomplished with the 2015 East Side Renovation and projects continue to keep our property in good repair. As of September 2020, the Association has not taken on the task of repairing or replacing the units’ West side windows and doors or North and South side windows and doors and has no plans to do so.

Who is responsible for repairs or replacement of windows and doors?

The Declaration of Condominium states that the unit owner is responsible for the cost of the repair or replacement of windows and doors.

Who is responsible for repair or replacement of patios and balconies?

The Declaration of Condominium states that the unit owner is responsible for the cost of repair and replacement of patios and balconies.

Is this different from other Associations?

No. It is most common for unit owners to be responsible for these repairs and replacements.

Why in recent years has the Association paid for these repairs?

In 2009, the Board of Directors decided to begin paying for these items in an effort to protect the property. This policy continued under the previous Board of Directors when many windows, doors and patios were repaired during the East Side Renovation.

Why should the Association discontinue this policy of paying for these items?

Most importantly, the Association has incurred an increasing and substantial debt due to the high cost of repairing these items. Secondarily, we believe that our new policy represents a more conservative legal approach that minimizes the Association's risk.

What about unit owners who have not received repairs or replacement of these items but through their assessments and dues have contributed to the repairs for other units?

The Board believes continuing with the 2009 policy change is not equitable to unit owners who contributed to the repair and replacement cost of other units' doors and windows that benefit only a particular unit. As a result, each unit that is currently experiencing or has experienced water intrusion since the 2015 East Side Renovation from its East Side doors and windows and did not receive door and window replacements as part of the 2015 East Side Renovation is entitled to a one-time East Side door and window repair or replacement at the Association's expense. This one-time replacement is limited to the equivalent cost of the number of doors and windows found in the two bedroom 1120 square feet units, which is two slider doors and one picture window, and has no expiration date (the "East Side Renovation One-Time Replacement Exception").

How has the policy changed and provided for owners that have not previously benefited from the old policy?

Units that have not had their windows and doors repaired or replaced during or subsequent to the East Side Renovation and that are having water intrusion or have nonfunctional windows will be entitled to the East Side Renovation One-Time Replacement Exception. If a unit's windows and doors were repaired or replaced after 2015, any future repairs and replacements shall be paid by that unit owner, unless such repair or replacement is covered under warranty.

Who to notify if you believe a repair is needed and what is the time limit for the East Side Renovation One-Time Replacement Exception ?

Unit owners must notify by Andrea Grossman by email at andrea@agimpactmgt.com if they are aware of an East Side door or window that is leaking. Be sure to get an email confirmation from Ms. Grossman.

Who ultimately determines if the repair is necessary?

An outside engineering firm (currently CSI) will evaluate and advise the management company and a final determination will then be made. This may involve a period of observation or sheet rock removal, among other things.

What company will make the repairs?

The Association will contract with a vetted vendor to make the repair. The cost of repairs will be allocated according to the Declaration of Condominium (which means that the cost of the

doors and windows will be the unit owner's expense and related repairs during installation to the common elements surrounding the doors and windows, if any, will be the Association's. The Association will contract with an outside agent (currently engineering firm CSI) to monitor and ensure the repairs are properly done. The outside agent expense will be paid for by the Association. This will reduce the likelihood of poor repairs which has been a major past problem and may reduce owner cost through economy of scale.

The Association will pay for and landscaping repairs in the event a lift is used. The Association will bear the expense of the lift for leaking and nonfunctional east side windows and doors upon replacement.

Who pays for the lift and landscaping repairs if an owner chooses to repair replace additional east side windows and doors not covered by the East Side Renovation One-Time Replacement Exception when the Association is not repairing or replacing east side windows or doors?

The Association will pay for and landscaping repairs in the event a lift is used. The owner will bear the cost of the lift.

What if these items are identified to be causing a leak in the future or a planned yearly inspection shows that they must be repaired?

When a portion of the building is causing a leak, it must be repaired or replaced. For parts of the building that are the unit owner's responsibility (e.g., doors and windows), the Association has the right to make the repairs, if the owner refuses to do so, and charge the cost back to the unit owner.

Are any of these items under warranty?

They may be. Warranties vary from different manufacturers and may only apply to certain parts and usually are time limited. Labor often has a short warranty period.

Is there any change to the regulations concerning the remodeling of an owner's unit?

There are no changes to those regulations. All owners must register with and receive permission from the Association before any renovation (other than painting & basic repairs) can take place. Please see Sea Dunes website for the full policy.

Who to contact if you have a leak, are being leaked upon, or become aware of a leak?

Simultaneously contact the following:

Unit Owner (contact information on the association website)

Unit Owner's property manager (contact information on the association website)

Andrea Grossman (Property Manager) 360-535-4577

Amelia Island Management (AIM) (nights, weekends, holidays) 904-277-5122.

In the event a unit owner cannot be reached within a reasonable period of time given the circumstances of the leak, the Association may enter the unit(s) from which the leak is originating in order to address the leak promptly and perform promptly the repair as needed in an effort to minimize damage to the unit, other units or Common Elements. In these instances, the unit owner shall be responsible for the cost of the repairs to their unit and possibly those units affected by the leak after application of the Association's insurance payments, if any.

