Resolution of the Board of Directors of Condolea Association of Owners, Inc.

Background:

1. Under the Condolea Association Bylaws and Rules, Owners are responsible to maintain the interior of their units including Unit Plumbing Installations and Utilities. See Article 7.2.2.4 of the Bylaws and Section E 3. of the Handbook. This includes unit water supply lines from the meters. Since November, 2024, Owners are also required to insure their utilities to the point of common connection. (Article 6.2.1 of the Bylaws).
2. Beginning in 2023, Condolea began experiencing substantial increases in the Master Insurance Policy which is required to be maintained by the Association under Article 6.2.1 of the Bylaws. At the same time the Association experienced an insurance loss of approximately $100,000 due to a frozen water pipe. This pipe was a failed galvanized pipe. This loss led the Association to change the insurance requirements and to require the Owners to insure their own interior utilities as recited above.
3. At the same time the market for the HOA insurance substantially tightened its underwriting requirements. Associations with buildings over 50 years old and with any history of insurance losses became substantially more difficult to insure.
4. Condolea hired a new insurance broker and was able to obtain a new Master Insurance Policy for the insurance year beginning in April 2025. <u>However, one of the conditions of such policy was that the Unit Owners develop a plan to replace their old galvanized pipes within the first insurance year and to replace all the galvanized pipe within the second insurance year.</u>
5. The Association conducted a survey in the summer of 2025 and determined about 50% of owners had replaced their galvanized pipe, and the other 50% either had only partially replaced them, had not replaced them, or did not know. The Association also encouraged Unit Owners to get quotes, plumbing inspections and start the pipe replacement so it could meet the insurance requirements to maintain the HOA insurance. The Association also obtained quotes to replace the galvanized pipes in the Clubhouse.
6. The Association cannot risk that one or more Unit Owners does not replace their galvanized pipes before the insurance deadlines expire. A loss of the HOA insurance would make the Units not marketable and substantially damage the value of the other Units and the Association. It would also put the other Unit Owners at

financial risk for Common area property in the event of a fire, wind, earthquake, or other natural disaster.

Therefore, Be it RESOLVED that all Unit Owners shall submit a plan to the Association not later than December 31, 2025 as to when they will complete the work to replace all galvanized pipe within their units with PEX or copper pipes as required by our insurance policy.

Be it further RESOLVED that all Unit Owners shall complete the repiping work no later than December 31, 2026 and shall certify to the Association that such work has been properly completed by a licensed plumbing contractor. The Association may also require a certificate of completion by the licensed plumbing contractor for units that had not previously replaced their pipe.

Be it further RESOLVED that all Unit Owners that sell their units during this period shall notify the buyers of the Units of these requirements and shall make contractual arrangements in the sale documents for the replacement of the galvanized pipes by a qualified contactor.

BE it further RESOLVED that the Association may take all necessary steps to verify that such work has been properly completed and to enforce these resolutions as advised by legal counsel for the Association.

Adopted this 17 day of September, 2025 by the Board of Directors.

Robert LeChevallier Vice-chair