

**Ship Watch Villas**  
**Administrative Policy Resolution**  
**Water Heater Replacement Policy**

**WHEREAS** Ship Watch Villas Horizontal Property Regime (the “Association”) Master Deed and Bylaws provide that the Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Area; and

**WHEREAS** the Association Master Deed provides that the Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, to have reasonable access to each Unit from time to time as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Area accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area or to other Units; and

**WHEREAS** the Association Master Deed states that each Unit will include the heating, hot water and air conditioning system exclusively servicing the Unit;

**WHEREAS** the board has determined that the Association and individual unit owners have experienced, and continue to experience substantial damage due to the failure of water heaters;

WHEREAS individual unit owners are responsible for maintaining and repairing the water heaters servicing the unit; and

**WHEREAS** the Association’s Board had determined it is desirable, necessary and in the best interest of the Association that Unit Owners follow certain requirements to ensure adequate maintenance of their water heaters;

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. On or before March 30, 2019, each unit owner shall provide the Association with a certification that indicates the installation date of the unit’s water heater and a copy of the water heater manufacturer’s warranty. The Association may require that its agent verify water heater model and serial numbers on the water heater’s Rating Plate.
2. Upon receiving written notice from the Association that any water heater is to be removed or replaced due to any defect discovered by the Association during inspection or due to the expiration of the water heater’s useful life, (at a minimum water heaters must be replaced every 10 years) the Unit Owner shall repair or replace the water heater pursuant to the Association’s direction and shall provide the Association with documentation satisfactory to the Association verifying compliance with the Association’s directive within thirty (30) days of receiving such written notice from the

Association. In the event of any loss, claim, damage, or expense is caused or contributed to by water, which escapes from any water heater located within the boundaries of a Unit, there shall be a rebuttable presumption that the water heater failed because it was not replaced prior to the expiration of its anticipated useful life. The Unit Owner may rebut the aforesaid presumption by providing proof to the Association satisfactory to the Association that the water heater in question had not exceeded its anticipated useful life. Regardless of the age of the water heater, owners are responsible for ensuring the water heater remains in good working condition, and they will be liable to other owners and the Association for any damages caused by the water heater.

3. The replacement water heater must be: installed by a qualified person and guaranteed against failure for a period of not less than ten (10) years.
4. Pursuant to the Association's Master Deed and Bylaws, failure to comply with the terms of this Resolution shall be grounds to recover sums due, for damages or injunctive relief, or all three, maintainable by the Board of Directors on behalf of the Association or any aggrieved Owner. Further, this specifically includes, but is not limited to, the Association's right to disconnect the water heater and/or purchase a replacement and assess the Owner for the costs.

**BE IT FURTHER RESOLVED** that a copy of this resolution shall be sent to all homeowners at their last known addresses.

This resolution was adopted by the Board of Directors on Date

**Distribution.** The Association's Managing Agent is authorized and directed to circulate a copy of this Resolution to all Members.