

January 18, 2019

Administrative Rules for Naples Bay Club, Inc.

Property Damage Resulting from an Insurable Event. The following procedures are adopted to aid the Association in complying with Florida law, including Sec. 718.111(11), F.S., in regard to property damage resulting from an insurable event. The procedures are not intended to concern property damage resulting from a cause other than an insurable event. Property damage resulting from a cause other than an insurable event is governed by Declaration 5.

File. The Association shall maintain a file for each damage matter coming to its attention. The file shall contain items as follows, to the extent that such items exist: date on which the Association first received notice of the property loss, copies of written complaints and notices, including E-mails, photographs, a description of the damage, estimates received for reconstruction, agreements with contractors, and agreements with unit owners. The file may be inspected by Board members and by the owner of any damaged unit.

Reports. The Association's manager shall make a report at each meeting of the Board of Directors concerning the status of each pending damage matter. The Association's manager shall also report at each such meeting concerning each inspection of the Association's physical premises, whether by the manager or by an employed professional.

Inspection. Immediately upon receiving notice of property loss, the Association shall inspect the same and shall solicit estimates for the reconstruction of the property loss from one or more appropriate contractors.

Reconstruction Work. The Association has the primary obligation to undertake all construction work: "All construction work after a property loss must be undertaken by the association..." in accordance with Sec. 718. (I)(g)l. "A unit owner may undertake reconstruction work on portions of the unit with the prior written consent of the [Board of Directors]" in accordance with Sec. 718. (I)(g)l.

Unit Owner's Cost of Reconstruction. While the Association has the primary obligation to undertake all construction work, the unit owner may be responsible for part of the costs of reconstruction. The cost of reconstruction of

any part of property damage for which the unit owner is required to carry property insurance is chargeable to the unit owner; and, if paid by the Association, is enforceable as an assessment against the unit owner and may be collected in the manner provided for the collection of assessments. Sec.

718.111(1)(f)3 lists the unit owner's responsibility as follows:

"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 component or replacements of any of the foregoing which are located within the boundaries of the unit and serve only such unit."

Negligence of Association. In the event the negligence of the Association caused the damages otherwise chargeable to the unit owner as set forth above, then the Association is liable for the reconstruction costs that otherwise would be the unit owner's responsibility.

"For example, the Association could be held liable if it were on notice of repeated leaks through roofs or from faulty pipes and failed to make repairs." See Attorney Falk's E-mail to Rick Fellabaum 12 Dec 2018.