

RIVER PLACE SOUTH HOUSING CORPORATION, INC.
POLICY RESOLUTION NO. 14-001

(Rules and Regulations Governing the Maintenance and Repair of Apartments and
Responsibility for Damages)

WHEREAS, Article 3, Section 3.8(a)(1) of the Bylaws governing River Place South Housing Corporation Inc. (“Bylaws”) provides the Board of Directors with the power to regulate, adopt, amend and repeal Rules and Regulations governing, the use and operation of the Common Elements and any portions thereof and the use and occupancy of the Apartments, provided that such Rules and Regulations are consistent with the Articles of Incorporation, the Bylaws, the governing documents of the River Place Owners Association and applicable laws; and

WHEREAS, Article 3, Section 3.8(a)(5) of the Bylaws provide that the Board of Directors has the power to do or cause to be done any act or thing necessary or convenient for carrying out its duties; and

WHEREAS, pursuant to Article 3, Section 3.8(b)(1) and (2) of the Bylaws, the Board of Directors has the duty to enforce or cause to be enforced the Governing Documents and Proprietary Leases of River Place South Housing Corporation, Inc. (“RPS”) and the duty to carry out the responsibilities of RPS under such document; and

WHEREAS, the Board of Directors deems it in the best interest of the Corporation to clarify the responsibility for maintenance and repair of Apartments and Responsibility for damages.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the following Rules and Regulations regarding maintenance and repair of the Apartments.

1. Article 7, Section 7.7 of the Bylaws addresses the Upkeep of the Building. Pursuant to this provision, RPS is responsible for the maintenance, repair and replacement of the Common Elements (those portions of the building other than the Apartments) and the Shareholder is responsible for the maintenance, repair and replacement of the Apartment including but not limited to, the equipment, appliances and appurtenances serving the Apartment. Subparagraph (c) of this provision refers to and incorporates Schedule A to the Bylaws which is a Chart of Upkeep Responsibilities that provides greater detail of the responsibilities of RPS and the Shareholder.
2. Based upon Article 7, Section 7.7(b) and Schedule A of the Bylaws, the Shareholder is responsible for the maintenance, repair and replacement of all components of the Apartments with the following specific exceptions: a) plumbing failures that originate in components that are located outside of the Apartment; b) HVAC components which are maintained by RPS as part of a central system; and c) the surface of the entry door to the apartment that is exposed to the outside. All other components of the Apartment, particularly including, but not limited to, the

plumbing pipes and fixtures are the responsibility of the Shareholder to maintain, repair and replace.

3. As the RPS building is a maturing property, regular maintenance, particularly of the plumbing components, is necessary to prevent failures and costly damage. Without limiting the maintenance requirements applicable to Shareholders, refer to the attached document “Addendum to RPS Maintenance Repair Rules and Regulations” containing specific minimum maintenance requirements that must be performed by each Shareholder to comply with obligations under Section 7.7(b)-(d) and Schedule A of the Bylaws. Any failure to do so shall be deemed by the Board of Directors to be negligent or negligence by the Shareholder.

4. Article 7, Section 7.7(b)(1) of the Bylaws further provides that the “Shareholder shall be responsible for all damage to any other Apartment or to any Common Element resulting from his failure to perform any of the Upkeep required by this Section.” Accordingly, if any damage occurs to another Apartment or to the Common Elements as result of the Shareholder’s failure to perform maintenance, repair or replacement of his/her Apartment, as required, including but not limited to, the specific maintenance requirements noted above and those contained in Schedule A of the Bylaws, the Shareholder shall be responsible for correcting such damages.

5. In the event that emergency response is needed to correct the damages and/or to inhibit further damages (as typically the case with water damage situations), pursuant to Article 7, Section 7.13 of the Bylaws, the Board of Directors and the Managing Agent and their authorized contractors and representatives have authority and shall enter the Apartment or the Common Elements at the expense of the Shareholder responsible for such damages pursuant to Article 7, Section 7.1(b), Article 12, Section 12.1(a) and Schedule A of the Bylaws. Request for access should first be made but, if there is an emergency situation in which damage will occur or will escalate if action is delayed, access may proceed without notice.

6. Pursuant to Article 7, Section 7.7(b) and Article 12, Section 12.1 (a) and Schedule A of the Bylaws, if the damage is the result of the neglect or negligence of a Shareholder (due to the failure to maintain or other action or inaction), the costs of repair of any damages shall be the responsibility of such Shareholder. Pursuant to Article 5, Section 5.3, RPS shall not be responsible for such damages.

7. Pursuant to Article 7, Section 7.13 of the Bylaws, although there is no obligation, the Board of Directors and the Managing Agent shall have the right of access to the Apartments for purposes of inspections. If during any such inspection, a condition in violation of the Bylaws, Rules and Regulations, Proprietary Lease or other Governing Documents is discovered, pursuant to Article 12, Section 12.1(e), RPS may correct or otherwise abate such condition, which may include performing the necessary maintenance to avoid the risk of damages, at the expense of the Shareholder.

8. The Board of Directors proposes to adopt changes to the Bylaws clarifying the obligations of Shareholders under Article 7, Sections 7.7(b) and Article 12, Section 12(a) and (c) of the Bylaws.

9. Pursuant to the above, the following summarizes the obligations of the Shareholders and the authorities of RPS with regard to the maintenance, repair and replacement responsibilities related to the Apartments:

- RPS is responsible for the maintenance, repair and replacement of the Common Elements of RPS property.
- The Shareholder is responsible for the maintenance, repair and replacement of all components of the Apartment except the following; HVAC components that are maintained as part of a central system, plumbing pipes and fixtures that are located outside of the Apartment, and the exterior surface of the Apartment entry door, all of which are maintained by RPS.
- Failure to perform regular maintenance and repair of Apartment plumbing components and fixtures, and any damage resulting from such components and fixtures, shall be deemed neglect or negligence by the Shareholder.
- Damages resulting from Shareholder's failure to maintain, repair or replace any components of the Apartment that are the Shareholder's responsibility or from any action or inaction of the Shareholder are the responsibility of the Shareholder to correct or pay the costs to correct.
- RPS may respond to any emergency damage or threat of damage and may obtain access to the Apartments as needed to implement prompt corrective action to address or inhibit damage and all costs of the same shall be assessed to the responsible Shareholder.
- RPS may also address non-emergency damages caused by a Shareholder or resulting from a Shareholder's neglect or negligence and collect the costs associated with the same from the responsible Shareholder.

This Resolution was duly adopted by the Board of Directors on the 1 day of April 2014.

This Resolution shall take effect on April 1, 2014

RIVER PLACE SOUTH HOUSING CORPORATION, INC.

By: Robert J. Lesnick

Robert J. Lesnick, President RPSHC

ADDENDUM TO MAINTENANCE & REPAIR RULES AND REGULATIONS

The Master Policy of River Place South Housing Corporation does not cover damages caused by you or your tenant to the Building or other Apartments.

All portions exclusively serving an Apartment, including fixtures, equipment, appliances and appurtenances attached to the apartment, whether located within or outside of the apartment that service that Apartment exclusively are the responsibility of the Shareholder. If the cause of the water damage to any Apartment(s) or the Common Elements originates from an Apartment where the cause of the water damage originated the Shareholder of that Apartment is responsible for any damages to such Apartment, other Apartments and the Common Elements.

Therefore every shareholder should carry insurance on their Apartment.

The care of your Apartment is your responsibility. Regular maintenance and upkeep, particularly of the plumbing components, is necessary to prevent failures and very costly damage.

- Replace old/defective stop valves under kitchen, bathroom and main shut off valves to unit. **Main valves must be replaced prior to the sale or transfer of any unit.**
- Replace old defective stems in bathroom sink and tub hot/cold faucets handles.
- Replace old/defective sinks traps in kitchen/bathroom sinks in addition to supply lines
- Caulk tub and re-grout or replace bathroom tile as needed.
- Repair/replace faulty tub shoe or overflow drain to avoid damage to the unit and ones beside or below.
- Replace old shut off valves in bathroom for unit water supply.
- Ensure all items are in working order and good repair.

Shareholder Responsibility Within unit: electrical outlets, light bulbs, ballasts, appliances, including gas range, refrigerator, microwave (garbage disposal –prohibited in studio units), all fixtures, lighting, carpet, wood flooring, tile, window blinds, windows, faucets, gaskets, drains, flappers, fluid masters, toilet handles and other toilet components, shower head, cabinets, shower doors, vanities, fuses, fuse boxes, socket replacements, access panels, HVAC Components, gas shut off valves, ceiling tile, window blinds, window screens, door locks, doors, settlement cracks are the sole responsibility of the unit shareholder.

Shareholder Responsibility for Problems Behind the Walls: hot/cold water supply to the bathrooms, kitchen and tub back to where the supply lines “tee” off the riser feed that supplies the water to the units in that tier, drain lines from the kitchen and bathroom sink that have blockages before the building tier main drain line, tub drain that has blockage in the tub shoe or pipe drain before the building tier of drain line. Any leaks or clogs in pipes or gas lines that serve only your Apartment.

Smoke Detectors: The Shareholder is responsible for ensuring there is a functioning smoke detector and to insure annual battery replacements. Batteries are changed once per year and shareholders will be billed for the replacement. All Apartments with separate bedrooms are required to have a smoke detector in the sleeping area.

Damages: Article 7, Section 7.7 of the Bylaws states “..Each Shareholder shall be responsible for the Upkeep of his Apartment, including keeping it and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Apartment. **“In addition, each Shareholder shall be responsible for all damage to any other Apartment or to any Common Element resulting from his failure to perform any of the Upkeep”...**

Insurance: River Place South Housing Corporation is recommending that ALL Shareholders obtain insurance on their individual units. Unit owners will be notified of the compliance date and where to send the verification of said insurance.

ALL Renovation, Plumbing, Electrical, Gas and Specialty repair work must be performed by a LICENSED & INSURED Contractor. ALL CONTRACTORS are required to sign in at the Management Office upon arrival at the building, regardless of the work to be performed. Shareholders performing renovation work are required to submit a scope of work to the Management Office for Board Approval.

In unit work may be performed between the hours of 9am-5pm Monday thru Friday only.

Please contact the Management Office 2 weeks in advance to arrange water shut offs.