



MEADOW LAKE ASSOCIATION
24678 Lake Meadow Drive
Harrison Twp, MI 48045
www.mymeadowlake.com

Air Conditioner Replacement Policy
January 1, 2013
(Replaces Policy Dated September 1, 2009)

As provided for in the Master Deed, responsibility for replacement of the **outdoor portion** of a unit's air conditioning system (the condenser) falls with the association (except in cases of co-owner fault). Maintenance and repair is the responsibility of the co-owner. Maintenance, repair, and replacement of heating and cooling elements contained within a unit are generally the co-owner's responsibility. The association is responsible for repair or replacement of wires, lines, and plumbing contained within unit walls.

In order to provide co-owners flexibility regarding repairs or replacement, the board establishes the following policy and recommended procedures.

1. Based on obtaining periodic estimates, the board will establish a replacement cost (**RC**) for the replacement of a condenser. The RC applicable to units replaced 1/01/2013 or later is set at \$1,600.
2. In the event that a condenser has failed and requires significant repairs and the condenser has met or exceeded a life expectancy of 15 years the condenser may qualify for replacement. If repairs are estimated to exceed \$640 (40% of RC), it is presumed by the board that the condenser should be replaced. Once a unit reaches 20 years of age, the condenser qualifies for replacement when a repair estimate exceeds \$480 (30% of RC). Once the failure is verified and a qualifying replacement completed, the co-owner (upon submission of appropriate documentation) is entitled to reimbursement (or direct vendor payment) of the lesser of \$1,600 or the actual condenser replacement cost.
3. If the condenser has not met the 15 year life expectancy and the repair cost exceeds \$800 (50% of ROC), the board, based on individual circumstances, will make a decision as to repair (co-owner responsibility) or replace (at association expense). Factors such as unit age, cost of repair, condenser repair history, and the association's financial situation may enter into the decision.
4. In situations where the condenser age is less than 15 years and the repair cost is less than \$800 (50% of RC), it is presumed that the unit should be repaired at co-owner expense; however, a co-owner may request replacement because of individual circumstances. The board will evaluate the request and make a decision as to repair or replace. Factors such as unit age, cost of repair, condenser repair history, and the association's financial situation may enter into the decision.
5. In the event a co-owner has repairs and/or replacement of their heating and cooling system resulting in the replacement of their condenser and such replacement was elective or made without following the above procedures, the board shall authorize reimbursement of \$960 (60% of RC) for units which have been in service a minimum of the 15 year life expectancy. For units which have been in service 20 years or more, reimbursement is increased to \$1280 (80% of RC). In the event the minimum 15 year life expectancy has not been met, the board may still authorize payment under this provision, but only in special circumstances such as excessive repair history.
6. Newer style air conditioners (R-410a/Puron) may require new line sets running from the condenser to the furnace. While a simple install for most units, extensive drywall removal



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may be required when replacing D unit line sets which run inside of D unit garage walls along with the neighboring C unit garage ceiling. The association will authorize reimbursement (or direct vendor payment) of up to \$700 for new D unit line sets necessitated by the installation of newer style air conditioning. This maximum amount will be authorized for systems with confirmed condenser failure requiring significant repairs as described in paragraph 3. For air conditioners replaced on an elective basis or replaced without following the above procedures, the maximum reimbursement is \$420 (60%) for systems that have reached 15 years old and \$560 (80%) for systems 20 years or older. Association approval is required prior to work involving the opening of unit walls and inspection is required when work is concluded.

7. It is highly recommended that co-owners maintain records for repairs and/or replacements made to their air conditioning systems in order to document repair expenses and condenser age. Those condensers that are still in use and came with the units when new are presumed to be over 20 years old.
8. Claims for reimbursement should include an invoice copy detailing condenser cost and line set costs (in the case of D units). This is particularly important when requesting the maximum reimbursements. No reimbursement or direct vendor payment will be made until the work is completed.
9. Suggested Procedures in the event your air conditioning system is not functioning.
 - A. If you have appliance insurance through one of the Utility Companies (DTE or Consumers Power), call them first and let them diagnose the problem. Repair or replacement may be made under the terms of your coverage.
 - B. Contact a heating and cooling contractor of your choosing for diagnoses and maintenance or repair if appropriate.
 - C. If you have reason to believe that the condenser requires major repairs which may make it eligible for replacement by the Association as outlined in this policy, call a Board Member (preferably V.P. of Maintenance). A review of your situation will be made. This may include review of repair bills or estimates that you have obtained and/or estimates from contractors contacted by the association.
 - D. If replacement at Association expense is authorized, you may make arrangements with a contractor of your choosing. Once the condenser has been replaced, you will be reimbursed the lesser of (1) the actual replacement cost or (2) the current Replacement Cost (RC) as established by the board. Optionally you may choose to have the Association's payment made directly to your contractor.
 - E. In the event that your condenser unit is replaced without prior Association payment approval and you wish to be reimbursed under the provisions of Paragraph 5, submit a letter requesting reimbursement to the Association along with a copy of the invoice from your contractor. For those condensers that did not come with your original new unit, please include documentation as to age of your condenser.