

DISCUSSION ITEM

Electrical Panel Update

Wilbert Washington II
Shareholder | Attorney
wwashington@chadwickwashington.com



CHADWICK
WASHINGTON
MORIARTY
ELMORE &
BUNN P.C.

Admitted to practice in Virginia
Maryland & the District of Columbia

3201 Jermantown Road, Suite 600
Fairfax, Virginia 22030
(703) 352-1900 • FAX (703) 352-5293

www.ChadwickWashington.com
Firm Email: Mail@ChadwickWashington.com

July 12, 2023

Via Email

Board of Directors
Parkfairfax Condominium Unit Owners Association
c/o Francisco Foschi, General Manager
3360 Gunston Road
Alexandria, VA 22302

Re: Electric Panel Replacements

Dear Directors:

There are a considerable number of antiquated Stab-Lok breaker panels in many of the units at Parkfairfax Condominium. These were the original panels in the units at the time that the property was converted into condominiums. It is my understanding that all of these panels are well beyond their useful lives despite the fact that many of them have not failed yet. Given their age and condition, a substantial number of these panels have been replaced by many of the unit owners. However, the Board of Directors recognizes that it would be prudent to take steps to ensure that all of the remaining Stab-Lok breaker panels are replaced for the health and safety of all of the residents at Parkfairfax. The aging Stab-Lok breaker panels pose a significant fire hazard if they fail. It is my understanding that the Association's casualty insurance carrier supports the replacement of all of the Stab-Lok breaker panels as a matter of risk mitigation and as a matter of promoting health and safety. It is believed that the continued existence of these aged breaker panels will make it more difficult to obtain coverage at favorable premiums and could make it more difficult to obtain coverage going forward, particularly if these breaker panels begin to fail.

Under the circumstances, the Board has determined that it would be prudent to accelerate the effort to have the remaining Stab-Lok panels replaced. The breaker panels are located within the individual condominium units and belong to the owners of those units. The unit owners are responsible for the maintenance, repair and replacement of their breaker panels. The

Board of Directors
Parkfairfax Condominium Unit Owners Association
c/o Francisco Foschi, General Manager
July 12, 2023

Page 2

Association is involved in an ongoing effort to encourage all unit owners with Stab-Lok breaker panels to replace them with new breaker panels. There are a number of tools available to the Board of Directors to facilitate this goal. First, I recommend a concerted effort to educate the community about the danger posed by the aging Stab-Lok breaker panels and the need to voluntarily replace them within a reasonable period of time. Next the Board might consider researching the possibility of obtaining bulk discounts with one or two suppliers that could obtain and install replacement breaker panels at favorable prices to induce owners to replace their Stab-Lok breaker panels within the bulk deal period over the next several months. Establishing bulk deals with a couple of suppliers would not constitute a representation that the Association endorses the contractors, but rather that the Association has merely had a good experience with them in the past and was able to strike attractive pricing arrangements with them. We could put together appropriate disclaimers to avoid endorsements. Owners would of course be told that they are free to use any company they choose. This education and discount pricing program should get most of the owners to have their Stab-Lok breaker panels replaced.

Should there be holdouts, the Board could employ more direct steps to push those owners to replace their Stab-Lok breaker panels. Assuming that the Association could obtain a letter from their insurance broker or casualty carrier stating that they require or strongly encourage replacement of all Stab-Lok breaker panels in order to remain eligible for favorable premiums or eligible for continued coverage, then the Board could advise all owners that they must replace their panels or face liability for causing the Association to be exposed to a higher insurance premiums pursuant to Article IX, Section 1(a) of the Bylaws. Alternatively, if the Association could obtain documentation from an expert that the Stab-Lok breaker panels pose a danger at this age from an engineer, electrician, fire marshal or a similarly reliable source, then the Board could require owners with Stab-Lok breaker panels to replace them or be found in violation of their maintenance, repair and replacement duties under Article IX, Section 1(a) and Article V, Section 5(b) of the Bylaws. These provisions require unit owners to avoid increasing the rate of casualty insurance and to keep their equipment properly maintained and in good repair, respectively. Article IX, Section 1(e) of the Bylaws allows the Board of Directors to use self help to replace equipment that is in violation of the Bylaws if an owner refuses or fails to do so voluntarily. Taken together, the Board can use the Bylaws as a basis for forcing owners to replace their Stab-Lok breaker panels either through violation charges, self help or injunctions. Naturally, this would be the approach that would be reserved for particularly recalcitrant owners. Typically, for changes that are as inexpensive as a panel replacement, such coercive measures are not usually necessary for more than a handful of owners.

Board of Directors
Parkfairfax Condominium Unit Owners Association
c/o Francisco Foschi, General Manager
July 12, 2023

Page 3

I hope that the foregoing discussion is helpful to outline a series of approaches available to the Board of Directors to get owners to replace their Stab-Lok breaker panels. If you have any questions, I would be happy to discuss this with you further at your convenience.

Sincerely,



Wilbert Washington II