

HARBOUR VISTA HOMEOWNERS' ASSOCIATION, INC.

WATER INTRUSION POLICY

(Effective December 1st, 2022)

1. INTRODUCTION

One of the most common types of damage suffered by Condominium Unit Owners comes from water intrusion. Sometimes they are the result of an Owner's or resident's failure to properly care for their plumbing fixtures and appliances. Other times they just occur despite proper care. Regardless of the cause, leaks constitute an emergency requiring immediate attention and mitigation. Specifically, all leaks must be quickly repaired, and the Units and affected areas dried out to prevent extensive damage and repair costs that largely depend upon the speed at which water intrusion damage and leaks are addressed and corrected. However, each instance of water intrusion needs to be reviewed on a case-by-case basis as the particular facts and circumstances of each case may shift the general maintenance responsibilities from one party to another. Therefore, as a Unit Owner, it is important for you to be aware of and understand the Association's policies related to water leaks and water and mold damage, as well as your responsibilities.

The following policies and procedures are designed to protect the financial interests of all Owners. These policies will apply to all reported cases of water leaks and/or mold infestation within one or more of the Project's Units and Common Area. Because individual Unit Owners can and will be held financially responsible for some or all the costs involved in remediating and/or restoring affected Unit(s) and Common Area under the circumstances to be described further below, **all Unit Owners, residents and tenants are responsible to purchase and maintain adequate levels of liability and property insurance to protect themselves and their property (see Article IX, Section 9.03 of the CC&Rs).** As described in this policy, you might be financially responsible to remediate, restore, repair, and replace your Unit even if the leak is not your fault. Failure to carry adequate insurance could cost you thousands of dollars; be proactive and be prepared!

2. GENERAL INFORMATION

- a. **MOISTURE**: Water or moisture can enter Common Area walls and Units in one of three ways:
 - i. From some Common Area Source that is the Association's responsibility to maintain and repair;
 - ii. From a Unit adjacent to or above the affected Unit; or
 - iii. From inadequate ventilation of a Unit or from a plumbing leak in a pipe or fixture located within the airspace of the affected Unit itself.
- b. **MOLD**: Excessive amounts of mold can grow in a Unit and behind walls when excessive moisture, such as from a leak or unventilated bathroom, is not promptly addressed. It can also occur from poor housekeeping habits, inadequate ventilation in the Unit, and many other causes. Because of the potential health issues associated with some types of molds it is necessary that mold be removed from the Units and the Common Area walls, ceiling and floor cavities whenever its presence becomes known.

- c. IMMEDIATE REPORTING: Owners, residents and/or tenants are required to report all water intrusion and/or mold growth in their Units immediately upon discovery by calling the Association's property management company emergency phone number which should be used in case of a leak or water intrusion. Owners must provide their tenant(s) with this emergency contact information so that water leaks and water intrusions can be reported immediately by the tenants. Owners must also provide their own emergency contact information and tenant contact information to the Association's manager for use in the event a leak is reported in or near their Unit. Please place this telephone number in an easily accessible place so it is readily available in case of emergency.
- d. NOTIFICATION INFORMATION: Regardless of the suspected source of water, when you suspect that a water damage or moisture intrusion event is occurring in your Unit or the Common Area, you should immediately:

1) Shut off the water to your Unit, and

2) Contact the Association and report the water/leak:

Harbour Vista Homeowners' Association, Inc. c/o
Professional Community Management
2698 Junipero Avenue #101-A
Signal Hill, CA 90755
1(800) 369-7260
Email: pro.info@associa.us

If the water cannot be shut off and the water intrusion is substantial, then the incident should be treated as an emergency situation.

- e. INSPECTION: Upon notification of a water leak/water intrusion, the Association's manager will contact an appropriate vendor to inspect and determine the source of the water and to assess the damage and necessary repairs. Owner(s) shall provide the Association and its vendors with reasonable access for inspection and repair.
- f. ASSOCIATION GENERAL RESPONSIBILITIES:
 - i. The Association shall paint, maintain, repair, resurface and make necessary Improvements to the Common Area and Restricted Common Areas or shall contract for such maintenance, repair, resurfacing and Improvements, to assure reasonable maintenance of the Common Areas and Restricted Common Areas; provided, however, that the Association shall not be responsible for or obligated to perform those items of maintenance, repair or Improvement of the Units, the maintenance of which is the responsibility of the Unit Owners as provided in the CC&Rs. (Article II, Section 2.07, of the CC&Rs).
 - ii. The Association has the right but not obligation to perform all corrective architectural, janitorial and repair work within any Unit if Owner fails to make such repairs. (Article II, Section 2.07, of the CC&Rs).

g. OWNER GENERAL MAINTENANCE RESPONSIBILITIES:

- i. Owners are responsible to maintain, repair, replace, paint, paper, plaster, tile, finish and restore or cause to be maintained, repairs, replaced and restores, at their sole cost and expense, all portions of their Unit, including the interior surfaces of the walls, ceilings, windows, floors, doors, and permanent fixtures, in a clean, sanitary and attractive condition (Article II, Section 2.08, of the CC&Rs).
 - ii. With the exception of any casualty or damage insured against by the Association pursuant to Article IX, Section 9.01 of the CC&Rs, restoration and repair of any damage to the interior of any individual Condominiums, including without limitation all fixtures, cabinets and other Improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Unit Owner of the Condominium so damaged. (Article X, Section 10.03, of the CC&Rs).
- h. SHIFT IN RESPONSIBILITIES: The above referenced general responsibilities are subject to change depending on the particular facts and circumstances of each case which may shift the general maintenance responsibilities from one party to another.
- i. STORAGE OF PERSONAL PROPERTY: Owners, residents and/or tenants are responsible for storage of their personal property if it becomes necessary to perform any repairs under this policy.
 - j. DAMAGE TO PERSONAL PROPERTY: The Association will not clean or replace any of the Owner, resident, or tenant's personal property. Owner(s), resident(s), or tenant(s) are solely responsible for cleaning or replacing any damaged furniture, clothing or other personal property within their Unit regardless of the person or entity responsible for the initial water intrusion.
 - k. MOLD SPORE REINTRODUCTION: Personal property that is not properly cleaned may contain mold spores that will reintroduce mold back into the Unit. If such reintroduction occurs, the Owner will be solely responsible for any and all additional remediation and restoration costs.
 - l. USE OF UTILITIES: During any remediation or restoration work, Owner will be responsible for the Unit's utility costs even if the contractor undertaking the remediation and restoration work uses these utilities.
 - m. RELOCATION: Every Owner, resident or tenant must make their own decision whether to remain in the Unit during remediation and restoration work. Any Owner, resident or tenant choosing to remain in the Unit does so at their own risk. The Association shall not be responsible for relocation costs during the remediation and/or restoration period. If the Unit is occupied by a tenant, the landlord and tenant must resolve any issues association with relocation between themselves.

- n. INSURANCE: The Association is required to maintain a comprehensive public liability policy and casualty, floor, and liability insurance, which may or may not include coverage for water damage. (CC&Rs, Article IX, Section 9.01). Owners are responsible for maintaining insurance on his/her personal property and improvements made by an owner to his/her unit. (CC&Rs, Article IX, Section 9.03). Repairs to the interior of a unit are the responsibility of the Unit Owner. Such repairs may include (but are not necessarily limited to, painting, carpet/flooring replacement, furniture and/or cabinets, etc.). The cost of repairs for such Unit interior damage has the potential to be covered, in whole or in part, by the Association's insurance and the owner's insurance policy. If the Association's insurance policy provides such coverage, then the Unit Owner will be responsible for the deductible. Currently, the Association's deductible is \$10,000.00. A lack of insurance coverage for any particular condition/event does not relieve a Unit Owner of financial responsibility! As such, all owners are encouraged to carefully review their coverage with their own insurance professionals.

3. PREVENTATIVE MAINTENANCE REQUIREMENTS

- a. PROACTIVE MEASSURES: Owners are expected to proactively perform:
- i. Regular inspections of all Unit components (e.g., check for moisture at walls, windows, under sinks, around showers, etc.);
 - ii. Regular inspections and maintenance on all interior plumbing lines (i.e., plumbing located inside their Unit's airspace), plumbing fixtures (e.g., sinks, toilets, showers) and appliances so that they minimize the possibility of long term, undetected leaks and/or a failure, from beginning a flood or intrusion. All such inspections, maintenance and repairs should be performed as needed, but at least annually, by someone qualified to recognize and perform these needed repairs;
 - iii. Where available, regular opening of windows and/or use of exhaust fans to help keep Units well-ventilated to reduce moisture and the potential for mold growth
- b. FAILURE TO BE PROACTIVE: Failure to proactively perform regular inspections, make timely repairs and/or to immediately report water intrusion or mold growth may result in the Unit Owner being held financially responsible for some or all the costs incurred to correct the problem and restore the Unit to its prior condition, as well as the costs incurred to repair any impacted adjoining Units and/or Common Area. **Any Owner who fails to inspect, perform preventative maintenance or timely fix or report water or mold related problems to the Association, shall be deemed negligent.**

4. WHEN IT'S THE ASSOCIATION'S RESPONSIBILITY TO REPAIR WATER LEAK OR MOISTURE INTRUSION:

- a. The Association will pay to repair the water leak, dry out the affected common Areas, remediate any mold in the Common Area components to the extent necessary to obtain clearance by a qualified industrial hygienist when the water intrusion and/or mold can be attributed to a Common Area source. If Owner, resident, or tenant fails to timely report a leak, water intrusion or presence of mold which results in damage to the Association Common Area, that Owner may be held financially responsible for all or part of the cost of remediating the damage and mold in the Common Area.
- b. The Association will pay to replace any drywall that is has removed and will texture the replaced walls. The Association shall not be responsible for repainting the newly repaired and/or undamaged walls.
- c. The Association will clean and reinstall appliances, toilets, sinks, and other fixtures removed to gain access to the Common Areas. The Association will not replace used appliances that do not work when reinstalled because of their age or lack of maintenance. The Association shall cover the cost of cleaning and reinstalling the appliances, toilets, sinks and other fixtures under this provision. As explained below, the Unit Owner must provide the appliances, toilets, sinks, fixtures, etc. if the originals cannot be reinstalled.
- d. It is possible some original floor coverings, fixtures, cabinets, and other building components will not be able to be replaced once they are removed. Under these circumstances the Owner has the option of replacing these items on his/her own, or purchasing a new fixture, floor covering, etc., which the Association will install. For the Association to install the fixture, floor covering, etc., the replacement component must be on-site at the time the Association is ready to install it. If the replacement fixture, floor covering, etc. is not on-site when the Association is ready for installation, the Unit Owner must make their own arrangements for the installation. The Association has no responsibility to purchase replacement floor coverings, fixtures, cabinets, and other interior Unit components when the original components cannot be reinstalled.

5. WHEN THE ADJACENT OWNER/RESIDENT IS RESPONSIBLE FOR THE WATER LEAK OR MOISTURE INTRUSION:

- a. When the leak originates in an adjacent Unit, the Association is not legally responsible to repair the leak, dry out affected Units, or repair the damage to the affected Units. Each Unit Owner affected by a leak in an adjacent Unit must be prepared to act to protect and restore their own Unit. However, because of the potential for excessive damage if the situation is not immediately addressed by all affected Unit Owners, the Association is prepared to act as outlined in this section.
- b. If a Unit Owner or their insurance carrier does not immediately accept responsibility for a water leak or moisture intrusion, the Association will enter the affected Unit(s), extract any water; dry out the Unit(s); remove drywall as necessary; and remove cabinets, floor coverings, baseboards, appliances and other fixtures and drywall as necessary to access any water and/or mold in the Common Area wall cavities, ceiling, etc. Regardless of whether a Unit is the source of the leak or is merely damaged by a leak in an adjacent Unit, the Association does not guarantee or warrant: 1) the condition of any removed items; 2) these items can be reinstalled or reused; or 3) any removed items will have to be replaced. Nor will the Association be responsible for any damage to these items. The risk of loss or damage to these items shall remain with the Owner.
- c. The Association will pay to remediate any mold in the Common Area wall and ceiling cavities and within the affected Unit as necessary to obtain mold clearance. This does not mean the Association will remediate mold in the Unit that did not originate from the leak.
- d. The Association will pay to replace, tape, mud and texture any removed drywall in the Unit resulting from Common Area wall and ceiling remediation.
- e. Whether the originating Unit or only a damaged Unit, the Unit Owner must pay to paint their affected walls and ceilings. Further the Unit Owner must pay for their reinstallation or replacement of any removed cabinets, floors or wall coverings, appliances, fixtures, or other items. The Owner may choose to separately contract with the Association's contractor for these repairs, but the Association will not be responsible for any such work.
- f. The Association will seek to recover its costs from the responsible Unit Owner. Other affected Unit Owners must seek their own recovery from the party ultimately responsible.

6. WHEN THE AFFECTED OWNER IS RESPONSIBLE FOR THE SOURCE OF THE WATER LEAK, BACK-UP AND/OR MOISTURE INTRUSION:

- a. If it appears that a water leak, back-up and/or moisture intrusion is only in or has only affected the responsible Unit, and is not in the Common Area walls, ceilings or floors, the Association will do nothing beyond ensuring that water will not spread to Common Areas or other Units. The responsibility for dealing with the problem will be left to the Owner of the affected Unit.
- b. If it appears that the water leak, back-up wastewater, and/or mold growth is not just in the affected Unit but is or may be in the Common Area walls, ceilings and/or floors as well, the responsible Owner shall be liable for all repair and restoration costs.
- c. If the responsible Owner does not immediately accept responsibility for such damage, the Association will initially pay to repair the water leak; dry out the Common Area and affected Unit(s) to the extent necessary to protect the Common Area; and remove cabinets, floor coverings, baseboard, appliances and other fixtures and drywall as necessary to access the water and/or mold in the Common Area cavities. The Association does not guarantee or warrant: 1) the condition of any removed items; 2) these items can be reinstalled or reused; or 3) any removed items will have to be replaced. Nor will the Association be responsible for any damage to these items. The risk of loss or damage to these items shall remain with the Owner.
- d. The Association will replace, tape, mud and texture any removed drywall in the Unit resulting from Common Area wall and ceiling remediation. The Association will then require the responsible Unit Owner to reimburse it for all the costs it incurred in doing this work.
- e. It is the Unit Owner's responsibility to re-paint their affected walls and ceilings. Further the Unit Owner must pay for their reinstallation or replacement of any removed cabinets, floors or wall coverings, appliances, fixtures, or other items. The Owner may choose to separately contract with the Association's contractor for these repairs, but the Association will not be responsible for any such work.

7. WHEN THE ASSOCIATION AND ONE OR MORE OWNERS SHARE RESPONSIBILITY FOR THE DAMAGE:

- a. The Association will repair the water leak, dry out the affected Unit(s) and Common Area, and/or perform the mold remediation and Unit restoration as described above, including the replacement of the cabinets, floor coverings, appliances, and fixtures subject to the provisions of this policy. However, the Association will require the co-responsible party(ies) to contribute their percentage share of the cost of such work based on their percentage of share of the responsibility.
- b. When it appears that the responsibility is, or may be, a shared responsibility, the Association will notify the impacted Owner(s) as soon as reasonably possible of the Owner(s) anticipated or expected financial contribution. Failure of the Association to notify the Owner(s) will not affect the Owner(s) responsibility to pay their proportionate share of the total costs incurred. Owner(s) are expected to sign an acknowledgment of the possibility of financial responsibility prior to the beginning of any work in the Unit.

ACKNOWLEDGMENT OF POSSIBLE FINANCIAL RESPONSIBILITY

I acknowledge that the Harbour Vista Homeowners' Association, Inc. is now beginning or will soon begin water extraction and dry-out services in my Unit. I have received a copy of the Association's Water Intrusion Policy ("Policy") and I understand its contents. I acknowledge that the Association will perform water extraction and Unit dry-out services in conjunction with that policy. I have been informed that as the Owner of the Unit, I am, or may be financially responsible for some or all of the costs of the Association's services.

I further acknowledge that the Association will or may have to remove certain fixtures, appliances, cabinets, floor coverings, and/or other components and that due to their age or condition, these items may not be able to be reinstalled and will require replacement. If the Association is responsible for the repairs for the leak or water intrusion, I have the option of purchasing new items which the Association may install for me if required under the terms of the Policy. If I desire to have the Association install these items for me under the terms of this Policy, I must have the items at the Unit on or before the time the Association is ready to install them. If I do not have these items at the Unit when required, I assume all responsibility for the installation of the items. I have further been advised of the potential that some items may not be able to be reinstalled once removed.

I am responsible to advise the Association of my intention to provide whichever of the above items I will purchase new and for having these items on site at the required time.

Date: _____, 20__

(Signature)

(Printed Name)

(Unit Address)

Contact Telephone Numbers: