

WATER AND SEWER DAMAGE RESPONSIBILITY RULE

This Rule further clarifies the October 2014 Water Damage and Mold Policy by specifying whose responsibility it is for the repair of damage caused by water or sewer flows. In general, the proposed Rule specifies that if a COA water or sewer line above in the attic, below the slab, or in the walls fails, the COA will repair the pipe, the studs, the drywall, and the concrete floor. All other repairs to be done in the unit are the responsibility of the owner such as painting the drywall, carpet or floor replacement, cabinets, furniture, etc.

The COA will not be responsible for the cost of hotel or other alternate living accommodations, including but not limited to meals.

The Rule encourages owners and tenants to carry sufficient insurance to repair/replace any damaged possessions and otherwise cover their responsibilities under this new Rule.

In the event of a water or sewer leak that causes damage to property (whether inside or outside a unit or a wall abutting a unit):

- 1 The owner must promptly report the leak and damage to the office, before doing or attempting any repair. Onsite office number is (805)488-8484. After hours/weekend number is 800-729-5693.
- 2 The office will then arrange for one or more inspectors selected by the association to inspect the damage and the leak to determine (a) as required by law, whether there is any mold or asbestos present, and (b) the origin of the problem. The association will pay the cost of the inspector(s), but if the origin of the problem is determined to be the responsibility of the owner, the owner will be required to reimburse the association for the cost of the inspector(s). The owner of the unit will provide the association and its inspector(s) with all necessary access to the unit to perform such inspections.
- 3 After receiving the report(s) of the inspector(s), the association will immediately cause one or more contractors to repair all damage in the area of association responsibility, and the owner of the unit will provide the association and its contractor(s) with all necessary access to the unit to perform such work. The area of association responsibility shall be only (a) those areas inside the studs forming the boundaries of the unit, plus the drywall attached to those studs, and (b) in first floor units, the concrete foundations and areas beneath those foundations (all areas other than those described in clauses (a) and (b) in this sentence are areas of owner responsibility). If the origin of the leak is determined by the inspector(s) to have occurred inside the area of association responsibility (such as in sewer or water lines between the studs and behind the drywall as described above), the repairs by the association will include any necessary repairs to those lines and to studs and drywall.
- 4 If the origin of the leak is determined by the inspector(s) to have occurred inside the area of owner responsibility (including, but not limited to, in water supply lines or drainage lines serving a clothes washing machine or dishwasher, or water or drainage lines within cabinets or sinks, or leaking toilets or lines attached to toilets, or to be the result of an overflowing bathtub, shower enclosure, or toilet), the owner shall be responsible for: (a) performing and paying for all repair of damage caused by the leak and for any repair or replacement of furniture or other personal property damaged by the leak, all at such owner's expense, except that the association shall have the right to cause its own contractors to repair or replace damaged studs, drywall, or other property within the association's area of responsibility and to have the cost thereof promptly reimbursed to the association by the owner; and (b) paying for the cost of repairing all damage to any other unit (whether adjacent to the owner's unit or not) resulting from or associated with such leak and replacing, as necessary, personal property in any such other unit, damaged by or associated with such leak (including without limitation any damage to furniture, fixtures, flooring, or appliances); and (c) and paying for the cost of repairing all damage to any other common

area of Surfside III resulting from or associated with such leak and replacing, as necessary, personal property in any such other common area, damaged by or associated with such leak (including without limitation any damage to furniture, fixtures, flooring, or appliances).

- 5 For purposes of this document, any action of a tenant or other occupant of a unit shall be attributed to the owner of that unit, and any action of a contractor or other worker retained by the owner of a unit or by a tenant or other occupant of a unit shall be attributed to the owner of that unit. An owner shall be fully responsible to the association for any actions, work, negligence, recklessness, damage, or other behavior of any tenant or other occupant of the owner's unit or any contractor, employee, or licensee of that owner.
- 6 In no event shall the association be responsible for the cost of hotel or other alternate living accommodations or moving or storage expenses of any owner or other occupant displaced by any damage caused by any such leak, regardless of the origin of the leak, or of any meal or food expenses incurred by any such owner or occupant, whether such owner or occupant is displaced by reason of such leak or resulting damage or as a result of any repair or other work associated therewith.