

LOS VERDES HOMEOWNERS ASSOCIATION

Water Intrusion Repair and Mold Policy

(Adopted by the Board of Directors March 2004)

Due to the proliferation of water damage and mold-related claims against homeowners associations and their insurance policies, the consequential increase in the cost of repairs and insurance, and the growing practice by insurance companies to exclude such claims from its coverage, the Board of Directors deems it appropriate to develop a water intrusion and mold policy to clarify the respective responsibilities of the Association and the individual Unit Owners, enhance the safety of the community, and keep repair and insurance costs down.

Mold exists throughout our environment. The Federal Environmental Protection Agency (EPA) guidelines specifically state that there is no practical way to eliminate all molds and mold spores in the indoor environment. The way to control indoor mold growth is to control moisture. The fact that mold may be present in a home need not necessarily be the cause of great concern. Appropriate action should be taken, however, to avoid a mold problem and to remediate or clean up mold when it is a problem.

Both the Association and Unit Owners have maintenance and repair responsibilities. In accordance with the Association's governing documents and applicable law, the Association is generally responsible for maintaining and repairing the Common Areas and the Unit Owners are responsible for maintaining and repairing all portions of their respective Units. (See CC&Rs Sections 1.35, 3.12, 3.13, and 5.6(i)(ii)(iv)(xvi)). Accordingly, the Association will generally be responsible for repairing water damage and abating mold in the Common Areas, and the Unit Owners will be responsible for repairing water damage and abating mold that occurs inside the Unit. While things can fail and problems can arise, even in the best of circumstances, damage can be prevented or minimized by good maintenance practices.

Unit Owners are encouraged to eliminate any potential sources of moisture within the Unit that would breed the growth of mold. Regularly check under sinks and toilets and clean up any standing water, provide for adequate ventilation of the unit - especially during and after showers, and keep kitchens and bathrooms clean.

Immediately report all water intrusion and leaks to the Association's Management Agent, and provide as much information as you can about the nature and source of the leak. In the event of a leak or moisture intrusion in or from an area, for which the Association is responsible, report it to the Association in writing. If such an incident is not timely reported to the Association and the moisture is allowed to remain in the Unit for longer than 24 hours, the Association may deny any responsibility for the cost of removing any mold that may develop in the unit as a result of the moisture.

The Association will respond to reports of water intrusion and leaks as soon as possible after they are reported. If mold may have already developed to a limited extent, it can usually be removed either by the Unit Owner or by the Association. To remove small amounts of mold, use a mixture of 3 parts water to 1 part bleach, allow the solution to stand on the surface for 10 minutes, and then scrub with a brush, rinse and air dry. Use of a mask and gloves when removing mold is encouraged. Bag and dispose of all material that may have moldy residues. All residents should take immediate action to avoid and eliminate mold. The California Department of Health Services guidelines specify that so long as excessive moisture in an area is removed within 48 hours, there is no reason for concern regarding mold.

A Unit Owner is not responsible for damage to the Common Areas unless the damage was the result of negligence or the intentional conduct of the residents or guests of the Unit. Likewise, the Association will generally be responsible for moisture-related damage to a Unit or personal property, including mold, only if the damage is shown to have occurred as a result of negligence or willful misconduct on the part of the Association or its agents. Particularly, the Owner will be responsible for such damage if it is caused by or results from components of, or conditions in, the Unit that are the Unit Owner's responsibility, such as certain window leaks, or a leaking or dripping plumbing fixture or appliance.

Unit Owners are required to provide the Association or its agents access to their units, both for the investigation and the remediation of any water damage/mold claims, and to prevent potential further damage to other Units and the Common Areas, regardless of whether the water damage/mold originated within the Unit or the Common Area. Where the Association performs repairs to damage/contamination that is found to have been caused by a Unit Owner's failure to maintain or repair those portions of the Unit or appliances in the Unit for which the Owner is responsible, or the failure to report water intrusion within the Unit in a timely manner, the cost of such repairs/mold remediation incurred by the Association will be charged back to the Unit Owner in the form of a special assessment in accordance with the provisions of the Association's governing documents and the California Civil Code.

To the extent a water damage claim is covered by the Association's insurance, the Association will be responsible for the deductible on any damage claim that results from an area that is under the Association's control or responsibility. Otherwise, the Owner of the Unit that was the source of the moisture causing the damage will be responsible for the deductible. Unit Owners are encouraged to obtain their own insurance to cover water and moisture damage to the interiors of their Units and personal property, and to protect against liability for damage to other person's property or the Common Areas.