

CASA BAHIA HOMEOWNER'S ASSOCIATION POLICY AND PROCEDURES

1. Water Leak Discovery/Emergency Response

1.1 **Discovery.** Upon discovery of any water leak in a Unit, the Owner must notify the Association immediately¹.

1.2 **Repair/Restoration.** Upon receiving notice of a water leak, the Association's plumber will investigate and repair the problem, and, if necessary, the Association will retain a water restoration company, contractor or other vendor to perform any necessary restoration services so as to prevent further damage to the Unit, the Association's Common Area or another Unit (collectively, the "Emergency Services"). To the extent that the cause of such water leak is not an "external water source" as defined below, and to the extent not covered by a policy of insurance maintained by the Association, the cost of the Emergency Services shall be assessed to the Owner of the Unit responsible for the water leak.

2. Responsibility for Damage from External Water Source.

2.1 **External Water Sources Defined.** For purposes of this Policy, the term "external water source" shall mean water (including, but not limited to, fresh water, waste water or rain) which may leak or flow into a Unit from a pipe which serves more than one (1) Unit) or, in the case of rain, from outside the boundaries of a Unit, but shall exclude any water which leaks or flows into a Unit as the result of the negligence or willful misconduct of an Owner or anyone living in or visiting such Owner's Unit.

2.2 **Limitation on Repairs.** In the event of damage to a Unit caused by an external water source, and to the extent that there is no coverage under any insurance policy maintained by the Association pursuant to the Association's Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), the Association's repair responsibility shall extend only to:

2.2.1 Emergency restoration services to the Common Areas

2.2.2 The repair of any damage to the Common Area including, but not limited to, any mold damage to such Common Area; and

2.2.3 The restoration of any Unit wall, floor and/or ceiling to a condition ready to receive a wall finish, floor finish and/or ceiling finish unless such damage is caused by the gross negligence or willful misconduct of the Association, the Board, any committee appointed by the Board, the officers, the management agent or any of them (collectively, the "Association Parties"), in which case the Association shall also repair the wall/floor/ceiling finish.

¹ An Owner shall plunge blocked kitchen/bathroom facilities in his Unit, but may not use a snake, or cause a snake to be used, in any pipes unless instructed to do so by the Association.

All other repairs to a Unit shall be the responsibility of the Owner of the affected Unit.

3. **Owner Liability.** To the extent not covered by any insurance policy maintained by the Association, an Owner shall be liable for, among other things, the cost to repair damage:

3.1 To the wall, ceiling and floor finishes to the Owner's Unit caused by an external water source (except as provided in Section 2.2.3, above);

3.2 To the Owner's property caused by the negligence or willful misconduct of the Owner or anyone living in or visiting such Owner's unit;

3.3 To the property of others and/or the Common Area caused by water leaking or flowing from a component (e.g., toilet, shower, faucet, etc.) inside the boundaries of such Owner's Unit or exclusively serving such Owner's Unit; and,

3.4 To the Owner's property caused by the negligence or willful misconduct of another Owner or anyone living in or visiting such other Owner's Unit or by water leaking or flowing from a component (e.g., toilet, shower, faucet, etc.) inside the boundaries of such other Owner's Unit or exclusively serving such other Owner's Unit;

The cost to repair shall include, but is not limited to, the cost of emergency restoration services (as provided in Section 1.2) and the remediation of any mold. With respect to any damage to the Common Area caused by an Owner, the Association shall have the right to repair such damage at the Owner's expense.

4. **No Liability for Personal Property.** Notwithstanding anything to the contrary, regardless of the source of water intrusion, under no circumstances shall the Association or the Association Parties be liable for any damage to any personal property in a Unit including, but not limited to, any art, furniture, electronic equipment, clothing and/or cabinets in the Unit, which personal property shall at all times be the Owner's responsibility to insure, repair and/or replace.

5. **No Liability for Mold.** To the extent not covered by insurance, neither the Association nor any of the Association Parties shall be liable for injury and/or damage to persons or property in the Project caused by or resulting from mold, fungi, spores, pollens and other botanical substances, or other allergens, unless caused by the gross negligence or willful misconduct of the Association or any of the Association Parties.

6. **Responsibility for Association's Insurance Policy Deductible.** Each Owner shall be responsible to pay the full amount of any insurance deductible under the Association's insurance policy if a loss to a particular Owner occurs as a result of (i) the negligence of the Owner, Owner's family guests, tenants, licensees, servants, employees and invitees of such Owner; (ii) the failure of a portion of the Unit, Exclusive Use Common Area assigned to the Unit or such other component which is the Owner's responsibility pursuant to the CC&Rs, and/or (iii) any other cause, unless caused by the gross negligence or willful misconduct of the Association, its Board, officers, the Manager or his/her staff, in which case the Association shall be responsible for such deductible.

7. **Timely Repairs.** Repairs of any water and/or mold damage shall be made in a timely manner.