

**CORONADO SHORES ASSOCIATION NO. 9**  
**AKA EL MIRADOR (EL MIRADOR)**

**GUIDE TO WATER LOSS CLAIMS**  
(2024)

The Association and all Owners are required to comply with the Association's Governing Documents with regard to the responsibility for maintaining and repairing any component damaged as a result of water leaks and/or water intrusion. Due to the proliferation of water damage 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 coverage, the Board of Directors deems it appropriate to provide this guide to clarify and confirm the respective responsibilities of the Association and the individual Unit Owners, enhance the safety of the community, set forth the procedure for reporting and repairing water leaks and keep insurance costs down. The Association has established the following guide, which is consistent with the Governing Documents, as to water intrusion maintenance and repairs.

Association's Responsibility

The El Mirador Association is generally responsible to maintain and repair the plumbing and sewer pipes servicing the Common Area, and other underground utility lines or Common Area. (CC&Rs Article 12, Section 12.3 and Exhibit A to the CC&Rs.

Damage as a result of a water leak and/or water intrusion from an area that is under the Association's control or responsibility and which is caused by the Association's gross negligence will be the Association's responsibility. The Association may not, however, be responsible for damage caused by a water leak and/or water intrusion from any area under the Association's control or responsibility when the leak is not caused by gross negligence. These questions will be dealt with on a case-by-case basis.

Owner's Responsibility

Owners are responsible to maintain and repair the interior of the Unit and all plumbing and sewer pipes which are located within an owner's unit. (CC&Rs at Article 12, Section 12.3) and Exhibit A to the CC&Rs

The Association's CC&Rs expressly indicates that an Owner is responsible to repair any damage from a water leak and/or water intrusion which originates in the Owner's Unit. Unless the water leak is covered by the Association's insurance (CC&Rs, Article 11, Section 11.3, Article 12, Sections 12.3, 12.4). Accordingly, the Owner is responsible for repairing his/her Unit, the adjoining Owners' Units, and the Exclusive Use Common Areas. The Owner is also responsible for the cost to repair the Common Area if the leak is caused by the owner's negligence. However, the Association will perform any and all needed repairs to the Common Area. Once the Common Area repairs are completed by the Association, the Owner will be responsible for any costs associated with repairing the Common Area as a Special Assessment. All Owners are encouraged to regularly check any potential sources of leaks.

## Notification Procedures

Owners are required to immediately report all water leaks and/or sources of water intrusion by phone and in writing to the front desk at 619-437-4575 and [csca9desk@hotmail.com](mailto:csca9desk@hotmail.com). All owners should also open a claim under their own insurance regardless of where the leak originated from and then the insurance companies can negotiate regarding subrogation if that is appropriate.

If such an incident is not timely reported to the Association and the moisture is allowed to remain in the Unit or Common Area for longer than 24 hours, the Association may deny any responsibility for the cost of removing any mold that may develop as a result of the moisture.

Upon notification by an Owner, Management will contact a plumbing company to inspect the potential water leak and assess the damage and necessary repairs regardless of its location. In the event of a leak or water intrusion in or from a component (i.e., pipe, roof, etc.) for which the Association is responsible, the Association will perform the necessary repairs to the component. In the event of a leak or water intrusion in or from component for which the Unit Owner is responsible, the Unit Owner is responsible to perform the necessary repairs to his/her Unit, the adjoining Owners' Units, and the Exclusive Use Common Areas. The Association will perform any needed maintenance and repairs to the Common Area as a result of the Unit Owner's water leak and levy a Special Assessment against the Owner for the cost to repair unless it is covered by the Association's insurance.

In the event that an Owner fails to accomplish the necessary maintenance and repair to the Unit resulting from the leak, the Association may, but is not obligated, to perform the maintenance repairs. (CC&Rs at Article 12, Section 12.2). To prevent additional damage due to moisture problems, the Association will take steps to correct any emergency repairs if the Owner neglects to repair his/her Unit. Any costs incurred by the Association, which are the Unit Owner's responsibility, including any insurance deductible and the cost of repairs/mold remediation to the Common Area, Exclusive Use Common Area, the Owner's separate interest, and any other Owner's separate interest, will be charged back to the Unit Owner in the form of a Special Assessment, following notice and hearing, in accordance with the Governing Documents of the Association and the California Civil Code. (CC&Rs at Article 10, Section 10.4). The Association is not responsible for or obligated to perform maintenance or repair of the Units or Exclusive Use Common Area, which is the maintenance responsibility of the Owners. (CC&Rs at Article 12, Section 12.3).

If the Owner neglects to make the appropriate repairs to his/her Unit, any adjacent Unit Owners or to the Exclusive Use Areas, the Association may provide notice of a hearing. At the hearing, the Board of Directors ("Board") may set a deadline for when the deficiency is to be corrected by the Owner. If the deficiency continues to exist after the time limitation imposed by the Board, the Board may require the Owner to perform the necessary maintenance (CC&Rs, Article 12, Section 12.2).

If the Association performs and pays for the maintenance repairs, such amount shall be levied against the affected Owner and Condominium as a Special Assessment. If the Owner fails to pay

the Special Assessment within thirty (30) days, such payment shall be delinquent. The amount of any delinquent assessment, together with any late charges, interest as allowed by law, shall become a lien upon the Owner's Condominium. Additionally, the Association may initiate a legal action against the Owner, foreclose its lien against the Owner's Condominium or accept a deed in lieu of foreclosure if the Special Assessment is not paid.

Although the Owner is responsible for maintaining and repairing the pipes as described above, in the event that the Association determines that any damage as a result of a water leak, water intrusion, and/or damage to pipes was caused by the gross negligence or willful misconduct of the Association or its agents, the Association will be responsible for such repairs.

### Insurance

The Association maintains a policy of insurance covering damage to Common Area, Condominium Buildings and those portions of the Units consisting of the fixtures, installations, built-in appliances, cabinets and initial basic floor coverings. (CC&Rs at Article 11, Section 11.2). Damage to the private property of Owners, however, is not covered by the Association's insurance policies. Moreover, the Association could only obtain a policy with a high deductible. Often times, the amount of damage from plumbing leaks is less than the deductible. The deductible is currently \$50,000 per claim for common area claims and \$25,000 for damage to the unit. Therefore, no claim will be submitted to the carrier under that amount or it will be rejected by the carrier.

Each Owner shall insure his/her personal property and all other property and improvements within the Unit for which the Association has not purchased insurance. (CC&Rs, at Article 11, Section 11.7).

Owners should not look to the Association's master insurance policy as their first line of protection against damage to property caused by water leaks and/or water intrusion given the high deductible. In order to avoid an increase in insurance premiums of the Association's master insurance policy, Owners must direct any potential claims to the front desk, at [csc9desk@hotmail.com](mailto:csc9desk@hotmail.com) as well as by phone and in writing to Coronado Shores Association No. 9 (El Mirador), 1820 Avenida del Mundo, 619-437-4575 who will, then, forward the claim to the Board of Directors for review. The Board of Directors will review the claim and will advise the Owner as to whether the Board will submit the claim to its insurance carrier. Furthermore, the Board will, in all cases, request that any claim also be tendered to the Owner's personal insurance carrier.

The Board of Directors shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a loss for which Association insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

- (a) If the damage or loss occurs to an item of personal property or other item for which an Owner is responsible, the Owner shall be responsible for the cost of any deductible.

- (b) If the damage or loss occurs to an item owned by the Association or for which the Association is responsible, the Association shall be responsible for the cost of any deductible.
- (c) If the damage or loss occurs to any Unit and the Common Area, or to more than one Unit, the responsibility for the payment of any deductible shall be apportioned among the affected parties on the basis of the ratio of each parties' cost of repair to the total costs of repair.
- (d) The foregoing notwithstanding, if the damage or loss is caused by the negligence or misconduct of any Owner, or resident, guest, tenant or invitee of an Owner, the responsible party shall be liable for the cost of the deductible.

Owners are requested not to submit any claims directly to the Association's insurance carrier. Because the Owners are not named insureds under the Association's insurance policies, claims under those policies should only be made by the Association itself. In order to maintain control over claims which are made, and, thus, over premiums charged to the Association and the Association's insurability, it is important that claims to the Association's insurance carriers be made only by the Association.

Sincerely,

Board of Directors for El Mirador