May 8, 2023

Dear Homeowners,

We all welcome spring and look forward to the warmer days of late spring and summer. This past winter season, we all experienced the record-breaking rainstorms and observed some of the resulting damage locally and around our State.

Over the past few months, our property manager received many emergency calls from members reporting roof leaks. These leaks are an understandable hardship to the homeowners affected.

There have been many questions from the homeowners with respect to leaks detected in and around their units. Let's address some of those questions one by one.

(Q) **What should I do if I detect a leak in my unit?**

(A) Initially, you need to determine the source of the leak to the best of your ability.
1) Is it from an internal source including plumbing pipes, fixtures or appliances? These leaks are your responsibility to handle as the homeowner by contacting a plumber or other tradesperson to make the necessary repairs.

2) Is it an external leak coming from windows, doors, patio deck or patio sliding glass doors? Per our CC&R's, these leaks are your responsibility as well.

3) If the leak is coming through the ceiling from an outside wall or common wall, you need to take the necessary actions to minimize damage to the interior of your unit and your personal possessions. In addition, it is important that you file a report with Wall Street, our property management company, as soon as possible, either by phone (at 818.500.9955) or online through their website: https://app.propertyware.com/pw/portals/wallstreetpropertymanagement/tenant.action.

(Q) **Who is responsible for repairing a leak in my roof?**

(A) According to the CC&R's, and guided by our HOA attorney, routine maintenance of "normal wear and tear" is the responsibility of the Association. All leaks that are reported to Wall Street in a timely manner will be responded to as soon as possible.

(Q) **The roof leak caused damage to the interior of my home. Who is responsible?**

(A) According to the CC&R's, and guided by our HOA attorney, all interior repairs are the responsibility of the unit owner.

(Q) **I understand that the current HOA property insurance policy has a $50,000 deductible per claim for losses resulting from insurable events, including water intrusion from leaks and fires (except wildfires), and a $500,000 deductible per claim for *wildfire* losses. Who pays the deductible if I have a loss in my Unit?**

(A) Following guidance from our HOA attorney, the deductible is the homeowner's responsibility. It is each owner's responsibility to have either their own insurance coverage or sufficient savings in the event of a fire or any other insured loss up to the deductible amounts.

[Note: The wildfire deductible policy was a choice of last resort in order to meet the CC&R requirement to have property insurance coverage. The board decided to accept this policy with a $150,000 premium for the year rather than the less palatable option of the alternative offered by our previous insurance broker that came with a $500,000+ premium for the year. The premise of accepting it was based upon the notion that if there was a wildfire loss, multiple units would be affected and those units would share the burden of paying their prorated share of the $500,000 rather than a single owner paying the full amount.]

Q) **Are there future plans to replace the roofs?**

(A) The Board has been in discussions with several licensed roofing contractors, and it has been determined that most of our roofs have reached the end of their expected useful life cycle. The Association's Board is interviewing those same contractors, along with additional licensed contractors, to get bids for a roof replacement plan over the next several years. Emergency patching was required during the past few years, but that is no longer a cost-effective, long-term solution. It is anticipated that those units with reported leaks or identified as being in most urgent need of repair will be prioritized for replacement to be performed this year.

(Q) **What happens if the roofing contractor comes out to perform roofing repairs on my unit but refuses to do so until the roof support structure is strengthened or reinforced?**

(A) This is the opinion from our Villa Canada Association attorney who referenced the CC&R's as his basis:

1. Performing maintenance, repair and replacement of the interior structural components supporting the roof are the responsibility of the homeowners regardless of why the structures need such work.
2. In essence, if our roofing contractor identifies a structural problem, VCA will issue a letter to the homeowner indicating that finding and that the roofing work will not proceed until the owner has completed the necessary structural repairs.

Our sincerest sympathies go out to each homeowner who has had damage to their homes and property. We are committed to ensuring that, going forward, this issue is our highest priority.

SLOPE CLEARANCE AND TREE TRIMMING Update

We are in the process of finalizing a date for our annual slope brush clearance per the new 2023 Los Angeles County Fire Department - Brush Clearance requirements and guidelines. We are also in the process of finalizing a date for our spring tree trimming. We will keep you informed as to when that work will happen and ask for your cooperation while the crews are on site doing the work.

ELECTION Update

By the time you receive this newsletter, **you should have received two mailings** (the second one arriving today, Monday, May 8, or in the next day or two) from The HOA Election Guys, Inc., our Inspector of Elections, for the June 8, 2023, vote to amend our CC&R Insurance Requirements. It is vital that everyone vote in this **VERY IMPORTANT** election to ensure we have the ability to obtain affordable property insurance coverage for next year. **In order for your vote to count, please make sure you discard all of the first ballot you received and only use the second ballot.**

For those of you that aren't aware, last year our insurance provider for many years cancelled our policy due to concerns in the insurance industry with mounting losses due to wildfires in California. In order to obtain a new property insurance policy, several Board members spoke to dozens of insurance brokers last Fall in an effort to obtain a cost-effective policy for our Association. The result is the high deductible policy we now have along with a substantially higher premium that necessitated the increase in your Association monthly fees for 2023.

We have been advised that the commercial insurance marketplace for policies like our Association's will be even harder to come by this Fall so this change to our CC&Rs, while placing more responsibility upon each of us as owners to obtain more comprehensive insurance for our own unit, is essential in order for the HOA to obtain the coverage needed so that we are in compliance with our CC&R requirements and are able to reduce that portion of our monthly fee.