

Fairlington Meadows

Council of Co-Owners

May 12, 2004

From: Fairlington Meadows Board of Directors
To: Co-Owners and Residents
Subject: Policy Resolution No. 03-30-04
Responsibilities for Flood Damage, Repair, Clean-up and
Property Replacement

Dear Co-Owners and Residents:

The Board of Directors is providing the attached Policy Resolution to help clarify the procedures and responsibilities created by our existing documents as they relate to sewer backups, flood damage and water penetration issues, and the associated repairs, cleanup and property replacement.

The resolution is the result of extensive research by the Board, with guidance from CMC, legal counsel, and our insurance agents. The documents reviewed were the Master Deed, the Bylaws, previous policy resolutions, and the Resident's Manual. As a homeowner or renter, you need to understand what your coverage responsibilities are for your personal property and for any betterments to your basic family unit, as well as the Association's responsibilities for repair or replacement of the common elements.

The Board has also been pro-active by voting unanimously to install clean-outs on all sewer laterals so the lines can be monitored and better maintained on a regular basis.

We hope you find this resolution helpful. If you have any questions, please contact Olivia Dixon-Powers at CMC at (703) 631-7200, or a member of the Board.

Respectfully yours,



John W. Thurber
Board President

**COUNCIL OF CO-OWNERS OF FARLINGTON MEADOWS
POLICY RESOLUTION NO. 03-30-04**

WHEREAS, while Fairlington Meadows' current Master Property and Casualty Insurance (Master Insurance) program affords among the broadest coverage currently available for condominium associations, it does not satisfy all insurance needs, particularly with regard to family unit property betterments, improvements and personal property of individual co-owners; and

WHEREAS, the annual premium for the Council's Master Insurance has increased from \$48,457 in 2003 to the current \$80,544 for 2004; and the deductible per incident increased incrementally from \$1,000 in 1996 to \$10,000 currently; and

WHEREAS, damage claims submitted to the insurance company over the past several years have directly contributed to the significant cost increase for the Council's policy and the significant increases in the deductible; and

WHEREAS, the number of claims filed may jeopardize the Council's ability to procure affordable insurance coverage in the future; and

WHEREAS, the Master Insurance policy provides single entity (versus "all-in") coverage and does not cover personal property, betterments and improvements made to the family units since the Council was established and family units were conveyed to the original owners in 1973; and

WHEREAS, Article VII, Sections 12 and 15 of the Bylaws empower the Board of Directors to adopt rules and regulations and to add or repeal rules of conduct set forth in the Bylaws; and

WHEREAS, the Board of Directors of the Council of Co-Owners desires to provide clarification to the unit owners of the application of the Bylaws as they relate to the insurance and related maintenance and repair provisions.

NOW, THEREFORE, it is hereby resolved that the following policies, rules of conduct and responsibility shall apply throughout Fairlington Meadows ("The Council") with respect to Master Insurance as it relates to backups from general common element sewer laterals which service the family units:

A) Council Responsibilities Related to Plumbing and Sewer Lines

- 1) The Council is responsible for maintenance and repair of plumbing and sewer components which serve the Council or more than one family unit.
- 2) The Council will install cleanout pipes on the sewer laterals for all the buildings.
- 3) The Council will regularly inspect the sewer laterals to identify broken pipes or blockages and will make any necessary repairs or replacements.
- 4) In the event of a sewer backup, the Council will provide and pay for the emergency plumbing services, the initial clean up of the affected family unit and the correction of the sewer lateral problem.
- 5) If the cost exceeds the existing insurance deductible, the Council will contact the Council's insurance Company and will submit any claim that may be covered by the insurance policy.
- 6) If it is determined that the cause of the backup is due to the disposal of inappropriate items by the particular unit owner or resident, the Council will bill the unit owner for all costs.

The Council will not cover the cost of personal property, betterments or improvements damaged by sewer backups in the units. Betterments include but are not limited to structural upgrades, shelving, wall treatments, carpeting, carpet padding, cabinets, appliances and floor tile

B) Co-Owner Responsibilities Related to Plumbing and Sewer Lines

- 1) The co-owner is responsible for the maintenance and repair of the individual family unit and all plumbing and drainage pipes within the unit or which exclusively serve the unit.
- 2) Every co-owner must perform promptly all maintenance and repair work within his own family unit which, if omitted, would affect the project in its entirety or in a part belonging to other co-owners, and will be held expressly responsible for the damages and liabilities which may result from his failure to do so.

- 3) Co-owners must exercise due care to prevent blockages by not putting inappropriate items into the drain and sewer lines, such as but not limited to:
 - a) Rags, towels, paper towels, tissues
 - b) Sanitary napkins, diapers, dental floss
 - c) Grease, cooking fat, stringy food waste
 - d) Toys, plastic, rubber or other non-degradable materials
 - e) Dirt, sand, sawdust, gravel
 - f) Soft/thick toilet paper, wipes and other items marketed as "flushable"

- 4) In the event of a sewer line backup, the co-owner should immediately contact:
 - a) First, the Council's managing agent;
 - b) Second, his or her individual insurance agent.

- 5) The co-owner is responsible for any interior damage caused by a sewer backup including but not limited to structural upgrades, shelving, wall treatments, carpeting, carpet padding, cabinets, appliances and floor tile.

- 6) The co-owner is responsible for all cost related to a sewer backup if the backup is determined to have been caused by the owner or resident. Payment is to be made within 30 days of receipt of Council's bill.

- 7) The co-owner is responsible for informing his or her tenant of the required due care as stated above.

- 8) Co-owners are strongly advised to procure individual (HO-6) condominium homeowners insurance coverage for personal property, betterments, improvements, liability AND THE DEDUCTIBLE of the master policy. Current and future owners are advised that the Council's Master Policy is written under a single-entity concept and should request the appropriate amount of coverage for betterments in the unit. All co-owners are also strongly encouraged to secure sewer and drain backup coverage under their personal HO-6 policy. Co-owners should advise their renters to consider HO-4 policy coverage.

C) Flooding and Drain Back-Ups

The Council is not responsible for water damage and repair and cleanup services for water that has intruded through the basement walls or floors. Repairs or non-structural improvements to the walls to prevent water intrusion are the co-owner's sole responsibility. Co-owners may install a sump pump when approved by the Board.

COUNCIL OF CO-OWNERS OF
FAIRLINGTON MEADOWS

By: John Thurber
John Thurber, President

I hereby certify on this 30th day of March, 2004 that the Board of Directors duly adopted the foregoing Resolution.

Bryan Hochstein
Secretary

Amendment to Fairlington Meadows Policy Resolution No. 03-30-04, "Responsibilities for Flood Damage, Repair, Clean-up and Property Replacement" -- Amendment No. 02-21-07

WHEREAS, Policy Resolution No. 03-30-04 Section A-4 states: "In the event of a sewer backup, the Council will provide and pay for emergency plumbing services, the initial clean up of the affected family unit and the correction of the sewer lateral problem."; and

WHEREAS, there has been confusion as to who is responsible for calling the water extraction/clean up service provider; and

WHEREAS, some co-owners and water extraction/clean up service providers have taken advantage of this section of the policy by either not being concerned about excessive or unnecessary charges (e.g. keeping fans, dehumidifiers and other air moving equipment at the site for longer than necessary) or by the provider over-charging for services (e.g. in the event of an emergency situation), thus unnecessarily increasing the cost to the Council; and

WHEREAS, some water extraction/clean up service providers attempt to persuade the residents to remove damaged wallboard and/or structural elements to access areas between the wallboard and the foundation wall, based on the assumption that the Council will cover the cost of any such repair or replacement.

NOW, THEREFORE, it is hereby resolved that the following items of clarification are added to Section A-4 of Resolution No. 03-30-04:

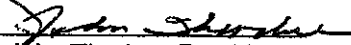
1) It is the responsibility of the co-owner to call and arrange an appointment with a water extraction/clean up service provider if it has been determined by the Meadows management agent or maintenance staff that sewage has entered the unit through the sewer line. For co-owners' convenience only, telephone numbers of providers are listed on the Meadows website www.fairlingtonmeadows.com under the section titled: "Flooding Procedures for Meadows Residents." The co-owner should inquire about the charges for water extraction and clean up services prior to entering into an agreement with the provider, and is strongly encouraged to seek the lowest costs for the services required.

2) There is a cap of \$1,250 on the amount the Council will reimburse the co-owner for water extraction and clean up services caused by a sewer backup. The Council will pay no more than this amount per unit per incident. This cap is based on actual fees currently charged by providers to members of the community. The total includes estimated average charges for the following items:

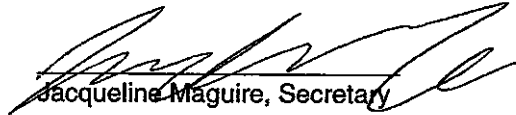
- Emergency Service Call \$90-100
- Clean up \$0.25/square foot (most basements have a floor area of between 600 & 750 sf)
- Disinfection \$0.15/square foot
- Large Dehumidifier Rental \$100-110/day for three or four days
- Three Air Movers (fans) \$20-30/day/fan for three or four days
- Equipment Set-up/Pick-up \$25-35

3) The Council will not reimburse co-owners for costs to repair or replace wallboard or other structural elements removed or damaged by the water extraction/clean up service provider.

COUNCIL OF CO-OWNERS OF
FAIRLINGTON MEADOWS

By: 
John Thurber, President

I hereby certify that on the 21 day of Feb., 2007 the Board of Directors duly adopted the foregoing amendment to Policy Resolution No. 03-30-04.


Jacqueline Maguire, Secretary


David Andrews, First Vice President


Lisa Fabelstein, Second Vice President


Debbie Diener, Treasurer

COUNCIL OF CO-OWNERS OF
FAIRLINGTON MEADOWS

RESOLUTION ACTION SHEET

Resolution type: Policy Number: 03-30-04
Subject: Responsibilities for Flood Damage, Repair, Clean-up
And Property Replacement

Duly adopted at a meeting of the Board of Directors held on
30 March, 2004.

Motion by: John Thurber

Seconded by: David Andrews

VOTE: Yes No Abstain Absent

<u>John Thurber</u> ✓	___	___	___
President			
<u>David R Andrews</u> ✓	___	___	___
1 st Vice President			
<u>James P. Bissette</u> ✓	___	___	___
2 nd Vice President			
<u>Bryan Hochstetler</u>	___	___	___
Secretary			
<u>P Kealey</u> ✓	___	___	___
Treasurer			

Attest:
Bryan Hochstetler Secretary