RESOLUTION OF THE TALL PINES CONDOMINIUMS ASSOCIATION, INC. REGARDING ADOPTION OF POLICY AND PROCEDURE ON INVESTIGATION AND REPAIR OF WATER LEAKS

SUBJECT: Procedure to be used for the investigation of water leaks and

any resulting damage.

PURPOSE: To adopt a resolution setting forth the procedure to be used

upon the detection of an interior water leak within the condominium buildings in order to more efficiently determine the source of such leaks and mitigate damage

caused by such leaks.

AUTHORITY: The Declaration of Covenants, Conditions, and Restrictions

of The Tall Pines Condominiums ("Declaration"), the Bylaws, the Articles of Incorporation, and Colorado law.

EFFECTIVE

DATE: MAY 22, 2024

RESOLUTION:

The Association hereby gives notice of its adoption of a policy and procedure setting forth the steps to be followed for the investigation of, and response to, handling of interior water leaks ("Water Leak Policy"). The Water Leak Policy adopted is as follows:

WHEREAS, as the community ages, the Association and Owners have experienced an increase in water leaks affecting both the exterior and interior of the Units, including leaks from outside (i.e. roofs, gutters, downspouts, siding, patios) and the interior Unit pipes, lines, fixtures and other installations and improvements.

WHEREAS, the Board feels it is in the best interest of the Association to clarify who is responsible for investigating and repairing the source of the leak, and for repairing components that are damaged by the leak.

WHEREAS, it is in the best interest of the community as a whole to have leaks repaired as quickly and efficiently as possible in order to reduce the risk of mold damage and to mitigate damage that may result to other portions of the community; and

WHEREAS, the Board desires to set forth a uniform procedure to be used upon the detection of a water leak in order to facilitate the timely repair of such leak.

IT IS HEREBY RESOLVED that upon the detection of a water leak which has manifested itself through water intrusion into a Unit, the following procedure shall be followed:

1. <u>Declaration</u>. When following the procedures of this Policy, which include identifying who is responsible for repair of: (i) the component(s) causing the water intrusion, and (ii) the component(s) damaged by the water intrusion, the Association and Owners shall consult The Declaration of Covenants, Conditions, and Restrictions of The Tall Pines Condominiums, as may be amended ("Declaration").

The Declaration clarifies the general maintenance and repair responsibilities of the Association and Owners over various components in the Project, including components that are typically the source of water leaks, such as exterior pipes, pipes within the walls, the roof, fixtures and appliances.

The Declaration also clarifies the maintenance and insurance obligations for the both the exterior and interior of the Units. This is important to know as often the responsible party for repair of a component will depend on whether it is considered part of the exterior or interior of the Unit.

2. <u>Notification of Management Company</u>. Upon the detection of a water leak which has manifested itself through water intrusion into a Unit, the Owner or resident of the Unit into which water is intruding shall be responsible for notifying the Association's management company <u>immediately</u> by telephone.

The Owner or resident must then follow up the phone notification with a written notification to the management company, such as via e-mail, within 24 hours. If applicable, the Owner or resident of the Unit into which the water is intruding shall also notify the resident of the Unit he or she feels is the source of the water within this same time frame.

The Association shall not be liable for any damage to the Unit interior resulting from any leak from any component under the Association's responsibility except for damage arising after: (i) the Owner of a Unit has put the Association on timely notice of a specific leak or flow from any component under the Association's responsibility, and (ii) the Association

has failed to exercise due care to correct the leak or flow within a reasonable time thereafter.

3. <u>Investigation and Repair of the Source of the Water Intrusion</u>. After the Owner or resident's immediate notification to the Association's management company of the issue, the Association will contact their vendors for all further investigation into the source of the leak. The Association's vendor will prepare the appropriate information and documentation to confirm the source of the leak and provide same to the Association's management company.

In the case of the leaking component being the responsibility of the Association, the Association shall be responsible for repairing the source of the leak and for paying for the cost of the investigative work conducted. In the case of the leaking component being the responsibility of an Owner, the Owner shall be responsible for repairing the source of the leak and for paying for the cost the investigative work.

- 4. <u>Responsibility for Damaged Components</u>. Subject to the insurance provisions under Paragraph 5 and negligence provisions under Paragraph 6 below, the following shall apply:
 - (a) In the event the water leak damages a component which is the maintenance obligation of the Association, the Association shall be responsible for the cost of repairing or replacing the component as needed.
 - (b) In the event the water leak damages a component which is the maintenance obligation of the Owner of the Unit into which the water is intruding, the Owner of that Unit shall be responsible for the cost of repairing or replacing the component as needed.
 - (c) In the event the water leak damages a component which is the maintenance obligation of another Unit, that Unit Owner shall be responsible for the cost of repairing or replacing the component as needed.
- 5. <u>Insurance</u>. Notwithstanding the above, if: (i) the leak and/or subsequent repairs are a covered claim under the Association's insurance policy (i.e., the damaged property is required to be insured by the Association), and (ii) the cost of repairs is in excess of the Association's deductible, the Association may submit the claim to its insurance carrier.

This Water Leak Policy sets forth the procedure to be used in relation to investigating to detect the source of water leaks and general responsibility for repairs for same, but does not in any way obviate the need for, or affect the applicability of, insurance as set forth in Section Nineteen of the Declaration.

6. Negligence. Notwithstanding the above, should any water damage to any part of the Project be caused by the negligence, misuse or tortious act of an Owner or Occupant, or their family, other residents, agents or guests, or the Association or its agents or employees, the negligent party shall be responsible and liable for all of such damage and the cost thereof. This does not shift responsibility for *making* the repairs, only liability for cost thereof.

Pursuant to Section 15.5 of the Declaration, the Association may charge any such costs incurred back to the negligent Owner's Unit as an assessment, which shall become the personal obligation of the Owner and collectable as provided in the Declaration for collection of assessments. This may include the cost of the deductible, in the event of an insured loss under the Association's insurance policy.

- 7. Association's Determinations Under this Policy. Should an Owner dispute the Association's determination of repair or other responsibility under this Policy and/or assert a claim of negligence against the Association, the Association reserves the right to investigate all such claims against the Association, and expects the Owner to submit all relevant documents supporting the Owner's claims for Board review. Any additional costs incurred by the Association might be charged back to the Owner, if applicable.
- 8. <u>Supplement</u>. The provisions of this Water Leak Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
- 9. <u>Deviation</u>. The Board may deviate from the procedures set forth in this Water Leak Policy if in its sole discretion such deviation is reasonable under the circumstances.
- 10. <u>Amendment</u>. This Water Leak Policy may be amended from time to time by the Board.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President the Association, a Colorado nonprofit corporation, certifies that the foregoing Water Leak Policy was approved and adopted by the Board of Directors of the Association pursuant to the consent of corporate action provision of the bylaws and in witness hereof, the undersigned has subscribed his/her name.

THE TALL PINES CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC., a

Colorado nonprofit corporation

By:

Docusigned by:

Mary Inn Burnett

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President