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**POLICY**
**OF**
**TRAILS END CONDOMINIUM OWNERS ASSOCIATION**
**REGARDING ADOPTION OF POLICY AND PROCEDURE ON INVESTIGATION OF WATER LEAKS AND REPAIRS**

**SUBJECT:** Procedure to be used for the investigation of water leaks and any resulting damage.

**PURPOSE:** To adopt a policy 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 Condominium Declaration Trails End Condominium Owners Association ("Declaration"), the Bylaws, the Articles of Incorporation and Colorado law.

**EFFECTIVE DATE:** April 15, 2026

**RESOLUTION:**

The Association hereby gives notice of its resolution adopting a policy and procedure setting forth the procedure 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 the Common Elements and Units, including leaks from both Common Element and Unit pipes, lines, fixtures and other installations and improvements; and

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; and

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. Maintenance. Pursuant to Article II, Section 7 of the Declaration, individual Owners are responsible for the maintenance and repair of individual apartment units, including fixtures and improvements and all utility lines and equipment located in the boundaries of the apartment unit and serving only the apartment

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unit. An apartment unit is defined as the space "contained within the perimeter walls, floors, ceilings, windows and doors of a unit … together with (i) all fixtures and improvements therein; (ii) the inner decorated or finished surfaces of such unit's perimeter walls, floors and ceilings; (iii) the doors and windows of the unit; and (iv) the interior non-supporting walls within the unit."

Article II, Section 7 of the Declaration provides that the Association is responsible for maintenance of general and limited common elements. In a condominium community, common elements are legally defined as anything which is located outside the unit boundaries. Limited common elements are parts of the common elements designated for the exclusive use and enjoyment of one or more owners, but less than all owners, in the community.

2. Notification of Management Company. Upon the detection of a water leak which has manifested itself through water intrusion into an apartment unit, the Owner or resident of the apartment unit into which water is intruding shall be responsible for notifying the Association's management company immediately 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.

3. Investigation and Repair of the Source of the Water Intrusion. 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.

Subject to Paragraphs 5 and 6 below regarding insurance and negligence:

(a) In the event the source of the water leak is from a component which is the maintenance obligation of the Association, the Association shall be responsible for the cost of the investigative work and for repairing the source of the leak. However, if the leak is from a component which is a limited common element, while the Association still has the maintenance obligation, the Association has the ability to assess the repair costs for the limited common element to the Owner(s) who have the exclusive use and enjoyment of the limited common element per Article II, Section 7 of the Declaration.

(b) In the event the source of the water leak is from a component which is the maintenance obligation of the Owner of the apartment unit into which the water is intruding, the Owner of that apartment unit shall be responsible for the cost of the investigative work and for repairing the source of the leak.

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(c) In the event the source of the water leak is from a component which is the maintenance obligation of another apartment unit Owner, that apartment unit Owner shall be responsible for the cost of the investigative work and for repairing the source of the leak.

4. Responsibility for Repairs of Components Damaged by Water Intrusion.

Subsect to Paragraphs 5 and 6 below regarding insurance and negligence:

(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 apartment unit into which the water is intruding, the Owner of that apartment 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 apartment unit, the apartment unit Owner where the leaked originated from shall be responsible for the cost of repairing or replacing the component as needed.

5. Insurance. Notwithstanding the above, if the leak and/or subsequent repairs are a covered claim under the Association's insurance policy and are in excess of the Association's deductible, the Association may submit the claim to its insurance carrier for adjustment after written notification of the problem to the Association by any Owner. In such case, the provisions of Section 9 of the Declaration and the Association's policy regarding submission of insurance claims, if one has been adopted by the Board, shall be consulted and applied as appropriate. Any deductibles under the Association's policy shall be allocated according to the Association's deductible policy.

This 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 the Declaration.

6. Negligence. Notwithstanding the above, should any water or other 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.

The Association may charge any such costs incurred back to the negligent Owner's apartment unit as an assessment, which shall become the personal

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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. Mold/Mildew. Mold and/or mildew can grow in any portion of the Project that is exposed to a regular source of moisture. Therefore, the Association and the Unit Owners agree to: (a) promptly investigate to determine the source of the problem and the extent of the condition upon the discovery of any water leaks; (b) repair any such leaks in their respective areas of maintenance responsibility in a good and workmanlike condition; (c) ensure that any building material which has absorbed water or moisture as a result of a water leak and has not been completely dried as part of the repair of the water or moisture damage is removed and replaced; and (d) clean any area where mold and/or mildew appears with industry-accepted product designed to inhibit the growth of mold and/or mildew.

8. The provisions of this 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. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

10. This Policy may be amended from time to time by the Board.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of the Trails End Condominium Owners Association, a Colorado nonprofit corporation, certifies the foregoing 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 their name.

**Trails End Condominium Owners Association,** a Colorado nonprofit corporation

By: Signed by: Timothy L. Uebele 10A089038C7B47F... President