

MORNINGSIDE HOMEOWNERS ASSOCIATION, INC.
RESOLUTION REGARDING ADOPTION OF POLICY AND PROCEDURE ON INVESTIGATION AND
REPAIR OF WATER LEAKS

Adopted September 25, 2025.

The following resolution pertaining to water leaks in the community has been adopted by the Morningside Homeowners Association, Inc. ("Association") pursuant to the Association's governing documents and Colorado law, at a meeting of the Board of Directors ("Board"). The Board wishes to clarify responsibilities concerning water leak(s) to facilitate the prompt reporting, detection, and repair of such leak(s).

The following serve as guidelines for the Board and Owners within the Association if a water leak damages a Unit and/or the Common Elements:

1. **Definition.** The term "water leak" or "leak" as used throughout this resolution refers to any water backup or other flow or escape of water (or other fluid) from a system or through a material where the water (or other fluid) is not supposed to flow or escape. Leaks are not limited to the plumbing system and may include leaks from other improvements, fixtures or equipment in the Units or Common Elements. Leaks may result from, without limitation, burst pipes, failed valves, toilets, shower pans, washing machines, dishwashers, hot water tanks, and roof or exterior wall damage. While not exhaustive, common signs of a "leak" include puddles of water, backups, discoloration or texture changes in walls and ceilings, and dripping sounds.
2. **Declaration.** The Association shall follow the Amended, Restated and Consolidated Declaration of the Morningside Condominiums ("Declaration") when identifying the party(ies) responsible for the repair of the component(s) causing the water leak, and the component(s) damaged by the water leak in accordance with Article 4 and Exhibit C of the Declaration.
3. **Notification Requirements.** Upon suspicion and/or detection of a water leak into a Unit, the Owner or resident of the Unit is responsible for **immediately** notifying the Association's management company by telephone regarding the leak's discovery, location, and source (if known). The Owner/resident must follow up the phone notification with a written email to the management company within 24 hours of the leak detection including a description of the leak's discovery, its location, amount of water, and photographs, if possible. If applicable, the Owner/resident of the Unit shall also notify the Owner/resident of any other Unit(s) they believe may be the source of the water within these same timeframes.
4. **Investigation of Water Source.**
 - (a) **Unknown Source.** If the source of the water leak is not known and is believed to originate from the Common Elements or another Unit, then after the Association receives notice of the leak the Association will send its maintenance team to investigate to confirm the

presence of a leak and potential source. The Owner/resident shall make all attempts to shut off any water sources within their control that may be contributing to the leak and request any Owner/resident whose Unit(s) may be the source of the leak to also do so. The Association's management team will conduct the appropriate investigation and compile documentation to try and confirm the leak's source and provide the same to the Association's management company. If the maintenance team is unable to determine the source, the management company may send in another vendor for further investigation into the source of the leak. Access to a Unit(s) may be needed to conduct this investigation pursuant to Declaration Article 2, Section 2.3. The Association may consider the reported leak an emergency and access the Unit at any time; however, in such a case, the Association will attempt to provide as much advance notice as reasonably possible.

(b) Known Source & Water Backups. If the reported source of the water leak is the Owner's responsibility or another Unit Owner's responsibility, then no investigation is required, and the Association will notify each Owner of their responsibilities for repairs as described in Section 5 below. If the reported source of the water leak is Association's responsibility, then after the Association receives notice, the Association's maintenance team will confirm the source of the leak, and if it is the Association it will assume repair responsibility as described in Section 5.

For water backups, if the source of the water backup is believed to be from a water supply or waste water pipe or other utility that is the Owner's responsibility to maintain and repair pursuant to Exhibit C of the Declaration but it is unclear at the time of the backup if the cause is due to a problem in the main line (Association responsibility) or the portion serving the Unit (Owner responsibility), the Owner shall be responsible for performing the initial investigation with its own contractor at its own expense up to the main line. If the water backup issue is not resolved after the Owner's initial investigation/work, the Association may retain its own contractor or approve the Owner's contractor to further investigate and clear the main line, if needed.

5. **Repair of Leak.** Once the leak's source is determined, the following steps will be taken:
 - a. **Leak Source Is Association's Responsibility.** The Association shall be responsible for repairing the source of the leak and for paying for the cost of its investigative work.
 - b. **Leak Source is Owner(s)' Responsibility.** The Owner(s) shall be responsible for repairing the source of the leak. The Association shall pay for any investigative work done by its vendor beyond the maintenance team when the leak source was unknown and believed to possibly originate from the common elements or another unit. However, such expense may be charged back if the Owner or another Unit Owner is found to be negligent. If during the investigation, the responsible Owner is an Owner of a neighboring Unit, all Owners/Units involved will be notified of the results of the investigation and the responsible party for repairing the leak.

These procedures are subject to and may be modified in the event of negligence and/or involvement of insurance coverage under the Association's policy as further discussed below.

6. Responsibility for Damage Caused By Water Leaks:

a. Water Leak from a Common Element:

- i. If a Unit and/or personal property within a Unit has been damaged, the Association will not be liable for such damages, subject to Paragraph 8 of this Policy, regarding negligence.
- ii. If the damage to an Owner's Unit is the result of a covered cause of loss on the Association's insurance policy, but the loss is below the deductible, the Owner is responsible for repairing the Unit, including any Betterments and Improvements, and their personal property, and the Association will be responsible for repairing the Common Elements, consistent with the general repair responsibilities in the Declaration.
- iii. If the loss is not covered under the Association's insurance policy, then either the Owner or the Owner's insurance will be responsible for repairing the Unit and their personal property, and the Association will be responsible for repairing the Common Elements.

b. Water Leak from Another Unit:

- i. If a water leak that damages a Unit is found to have originated from another Unit, then the Owner of that Unit may be liable to the damaged Unit Owner pursuant to Paragraph 8 (negligence). Any issues of fault or subrogation for damage to Units that *do not involve the Common Elements* must be settled between Owners and their insurers.
- ii. If a water leak originates from another Unit and damages both another Unit *and the Common Elements*, each party shall repair those components that they are responsible for repairing under the Declaration.
- iii. The damaged Owner or their insurer will be responsible for repairing their own Unit, and the Unit Owner where the leak originates will be responsible for repairing the pipe or other source of the leak. The costs associated with these repairs will be borne by the Owner responsible for the repairs respectively unless there is a determination of negligence pursuant to Paragraph 8 or the responsible Owner's insurance covers both Units.

- iv. An Owner may be held responsible for damage to another Unit and/or to the Common Elements for water leaks that results from remodeling, demolition or other similar work performed within the Unit, even if performed through a licensed contractor.
- v. If an Owner's Unit is damaged by a water leak originating from their own Unit or a pipe that is the Owner's responsibility to maintain per the Declaration, that Owner will be responsible for repairs to their Unit as well as the cost to repair the pipe.
- vi. The Association will be responsible for repairing any damaged Common Elements but if there is a determination of negligence pursuant Paragraph 8 it may assess those costs to the negligent party.

7. Emergency Repairs/Failure to Repair. The Association has the right to enter a Unit to perform any repairs or replacements to the common elements without notice in the event of an emergency. Also, pursuant to Section 4.4 of the Declaration, the Association may enter a Unit and replace, repair and clean up a Unit if an Owner fails to do so and may charge such costs back to the Owner as an Assessment. In the event of significant water leak, the Association may treat this as a health and safety issue and provide 72 hours to cure the violation before performing the repairs on behalf of the Owner.

8. Insurance. Notwithstanding the above, if the leak and/or subsequent repairs are a covered claim under the Association's insurance policy and are more than the Association's deductible, the Association may submit the claim to its insurance carrier. The deductible of any such insurance claim shall be apportioned pro rata based on the costs of repairs between or among the Association and the Owner(s) of the damaged Unit(s) unless the Board determines that the deductible should be assessed based on a party's negligence. If the covered loss exceeds the deductible, but the Association chooses not to file a claim, the Association shall pay all expenses above the deductible amount that would have been covered had a claim been filed.

The Association's insurance policy does not cover personal property, Betterments or Improvements within the Unit. If there is a loss to such property, the loss may be covered on the Owner's individual policy. Owners are encouraged to notify their insurance carriers in the event of a loss promptly to avoid potential denial of coverage.

9. Negligence.

- a. Should any water damage to any part of the Common Elements or Units maintained by the Association or covered by the Association's insurance be caused by the negligence, misuse, or intentional act of an Owner or Owner's resident, tenant, guest, licensee or invitee, the Owner may be responsible and liable for all costs incurred by the Association, which may be assessed against the

Owner as an assessment pursuant to Section 5.6 of the Declaration.

- b. Should any water damage to any Unit(s) be caused by the negligence, misuse, or intentional act of an Owner or Owner's resident, tenant, guest, licensee or invitee, the Owner may be responsible and liable to the Owner(s) of the damaged Unit(s) for any or all such damage and the associated costs thereof. These types of issues that do not involve the Common Elements must be settled between Owners and their respective insurance providers.
- c. Should any water damage to any Unit(s) be caused by the negligence, misuse, or intentional act of the Association or its agents or employees, the Association may be responsible and liable for any or all such damage and the associated costs thereof.

10. The provisions of this Water Leak Policy shall be in addition to and supplement the terms and provisions of the Association's Declaration, Policies, and local and state laws.

11. The Board may deviate from the provisions set forth in this Water Leak Policy if, in its sole discretion, such deviation is reasonable under the circumstances.

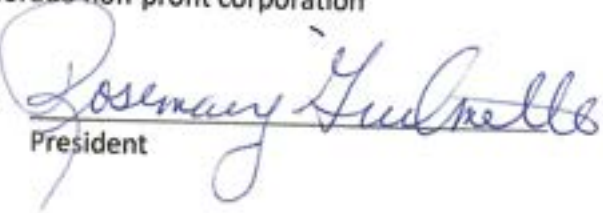
12. This Water Leak Policy may be amended from time to time by the Board.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Morningside Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on September 25, 2025, and in witness thereof, the undersigned has subscribed their name.

**MORNINGSIDE HOMEOWNERS ASSOCIATION, INC., a
Colorado non-profit corporation**

By:


President

Quick Reference Guide

What to do if you suspect or notice a leak?

