

## Spring Forest Condominium Homeowners' Association, Inc.

### LEAK POLICY

Adopted: February 25, 2025

Effective: February 25, 2025

Spring Forest Condominium Homeowners' Association, Inc. (the "Association"), provides around-the-clock emergency services through its property management company (the "Company"). Among other things, these services include damage due to water leaks.

In the event of a leak or water damage to a unit or any part of the common elements, unit owners should report the issue as soon as observed by calling the Company at 252-329-7368. If the call to the Company is made outside of the Company's regular business hours, the unit owner should follow the voicemail command prompts to leave a message with the Company's after-hours on call service. The Company's on-call technician should return the call within ten (10) minutes. If a return phone call is not received within ten (10) minutes, the unit owner should call back and leave a second message. If voicemail messages are not answered by the on-call technician, the messages should be automatically forwarded to the owner of the Company for response.

When the Company receives a call from a unit owner reporting physical damage to a unit or common element primarily relating to water damage, the following actions are initiated and completed at the direction of the Association's Board of Directors (the "Board").

1. After receiving an emergency call about water damage, the Company will dispatch a plumber or other appropriate technician to address the issue.
2. After receiving an emergency call about water damage and determining the extend of the damage, including the affected unit(s), if any, the Company will contact the owner/tenant of the units that are believed to be affected by the leak in order to have the Company or a plumber further investigate the issue. If the Company is unable to gain access to an affected unit, the Association's governing documents grant the Association, and by extension the Company, the authority to call a locksmith to allow the Company access to the unit to address the water issue. Use of a locksmith to enter an otherwise inaccessible unit will only be done in an emergency situation, and after multiple attempts to contact the unit owner/tenant. The cost of the locksmith is a *minimum* of \$75.00 and will be billed back to the owner per Board approval. **IT IS THE RESPONSIBILITY OF THE OWNER TO KEEP THE COMPANY UPDATED WITH THEIR AND THEIR TENANT'S CURRENT CONTACT INFORMATION.**

3. Upon gaining access to the affected unit(s), the Company will follow the below procedures to remediate the leak/water damage:
  - a. The plumber will attempt to locate the source of the leak and to stop the leak;
  - b. The Company will determine, from the plumber, the source of the leak so that the party responsible for repair of the leak can be determined (i.e., the Association or the affected unit owner(s));
  - c. If it is determined that:
    - i. The repair of the leak is the responsibility of the Association (i.e., leaks originating from the exterior of a building or from a common element), the Company (through the plumber) will proceed with repairs thereto as soon as possible.
    - ii. The repair of the leak is the responsibility of an owner (i.e., leaks originating within a unit, or from pipes, ducts, fixtures and other limited common element serving only that unit), the owner will be notified of the source of the leak and directed that repairs should be immediately undertaken. Owners are generally responsible for repairs within their unit interiors, from the outermost edge of the wall and ceiling drywall and through the floor finishing, and the limited common elements serving their unit. In cases of negligence or other non-accidental losses, owners of the unit from which a leak originated may also be responsible for the costs to repair damages caused to other units (horizontally and laterally) due to leaks originating from the responsible owner's unit and limited common elements.
  - d. Before the plumber leaves, the plumber will conduct a review of the damage caused by the leak and report to the Company the extent of repairs which are believed to be needed to the affected units and common elements, including but not limited to any water mitigation, restoration, repairs, and/or replacements. The owner of each affected unit will be responsible for immediately contacting a water mitigation company to perform water extraction to eliminate further damage to their and surrounding units. Upon request, the Company will provide the unit owner with a list of reputable water mitigation companies. If the water leak was a result of negligence attributable to a particular unit owner or their tenants, the Board may vote to assess the negligent unit owner(s) for the damages caused to adjacent unit(s).
  - e. All parties should see that efforts are taken to document, by photo, video, reports, and other measures, the source of any leak and any damages resulting therefrom.

**THE ASSOCIATION ADVISES EACH UNIT OWNER THAT IS AFFECTED BY A WATER LEAK TO IMMEDIATELY CONTACT THEIR HO6/BOP INSURANCE AGENT TO REPORT A POTENTIAL CLAIM.** The Association's Master Insurance Policy has a deductible of \$25,000.00, and is responsible for making only those repairs originating from common elements and which are necessary to bring the common elements and units back to their *original* construction. If, at the time of any water damage, a damaged unit had improvements over and above the original construction condition, the unit owner/owner's insurance is responsible for payment of the costs to restore those additional improvements, as well as any other damages occurring within the unit. The Association's governing documents, as well as the North Carolina Condominium Act, dictate what unit owner will pay for the common element repair costs which are less than or equal to the Association's deductible amount. Historically, each unit owner has been required to pay for their expenses up to the deductible amount, but each claim will be reviewed separately by the Board. All damage claims affecting property for which the Association is required to make repairs, and which exceed the Association's deductible amount, will be filed with the Master Insurance policy maintained by the Association.

With respect to damages and repairs which are the responsibility of a unit owner, including those damages occurring to the owner's unit, adjoining units, and the common elements, the owner has up to seven (7) days from the date that the water damage occurred to begin repairs of the same. In the event that the responsible owner does not initiate repairs within seven (7) days, the Association may elect, but is not required, to intervene as allowed by the Association's governing documents and the North Carolina Condominium Act, and repair the unit(s) back to their "original" construction and bill the appropriate owner(s) for all costs associated therewith.

With respect to damages and repairs which are the responsibility of the Association, or those which the Association elects to undertake as described in the paragraph immediately above, the Company will issue a work order to a qualified contractor of the Board's choosing to make the necessary repairs to the unit back to its original condition.

**THIS LEAK POLICY MAY BE AMENDED AT ANY TIME,  
AT THE SOLE DISCRETION OF THE BOARD.**

**UNIT OWNERS WILL BE NOTIFIED  
OF ANY CHANGES TO THIS LEAK POLICY.**