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Office of the Homeowners'
Association Ombudsman
UTAH DEPARTMENT OF COMMERCE

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ADVISORY OPINION NO. 2026-04

<u>Applicant Name:</u>	Susan Karr
<u>Association Name:</u>	Wolf Star Homeowners Association
<u>Association Type:</u>	Community Association
<u>Governing Statutes:</u>	Utah Community Association Act Utah Revised Nonprofit Corporation Act
<u>Advisory Opinion Date:</u>	February 6, 2026

LEGEND OF DEFINED TERMS

Association	Wolf Star Homeowners Association
CC&Rs	Master Declaration of Covenants, Conditions and Restrictions of Wolf Creek Resort, dated September 7, 1982, as subsequently amended
Board	Board of Directors
Governing Documents	The CC&Rs (Declaration), Bylaws, and Rules/Policies of the Association
Ms. Karr	Susan Karr
Office	Office of the Homeowners' Association Ombudsman

Summaries of each legal question are included at the start of each section. These summaries aim to provide a clear and straightforward answer to the question and should be read in conjunction with the complete analysis.

INTRODUCTION & BACKGROUND FACTS

A dispute has arisen between Ms. Karr and the Association regarding the allocation of \$610 in diagnostic and investigation costs incurred to identify the source of water intrusion into her home. Ms. Karr asserts that the Association is responsible for these specific “discovery” costs because the investigation was necessary to locate a defect in the building’s exterior common elements, which are the Association’s maintenance responsibility. Conversely, the Association maintains that these expenses are categorized as interior repair costs and, because the total cost of the damage is less than the Association’s insurance deductible, the responsibility for payment rests with the unit owner pursuant to Utah law and the Association’s Governing Documents. The main facts and timeline, as presented to the Office, are as follows:

- On November 30, 2020, Ms. Karr purchased Unit 16 within the Association.
- In late 2024, Ms. Karr observed a neighbor, who was also a board member, applying clear silicone caulking around the exterior brick of the neighboring unit.
- In early November 2025, Ms. Karr submitted an online maintenance request reporting that the floor near her front door was “caving in.”
- On November 5, 2025, the Association notified its property manager of Ms. Karr’s request.
- On November 10, 2025, members of the Board and the Association’s property manager met with Ms. Karr at her home to inspect the identified areas of water intrusion. Based on this inspection, the source of the intrusion could not be identified without further investigation.
- On November 19, 2025, Ogden Valley Construction visited the property to investigate the issue and removed the tile in front of the door, the drywall on both sides of the door, and the sub-floor. These findings indicated that the floor substructure was compromised due to water entering from the outside.
- On November 25, 2025, a water test was conducted by the contractor and the Association’s property manager. This test identified two points of water intrusion at the siding/brick ledge and the flower bed.
- On December 1, 2025, Ogden Valley Construction issued an invoice totaling \$2,557.50 for the “water intrusion solution,” which included a specific charge of \$610.00 for “water intrusion investigation” covering the November 19 and November 25 visits, \$2,557.50 for repair of the exterior brick and siding, and \$4,986.50 for repair of the water intrusion through the flower bed.
- On December 3, 2025, Ms. Karr emailed State Farm Insurance to file a claim for rotted-out joists caused by water entering through the siding.
- On December 4, 2025, a State Farm agent responded via email, stating that the insurance policy did not cover long-term leaking that resulted in rot.
- On December 5, 2025, and December 15, 2025, Ms. Karr submitted requests for Advisory opinions regarding the payment obligations for the repairs associated with the damage.¹

Since the dispute remains unresolved, the Office issues this Advisory Opinion pursuant to [Utah Code § 13-79-104](#).

¹ Ms. Karr submitted two separate Advisory Opinion requests to the Office; however, the request submitted on December 15, 2025, is a clarification of the original request. Therefore, the Office will address and resolve both Advisory Opinion requests together.

ANALYSIS OF QUESTIONS PRESENTED & GOVERNING LEGAL PRINCIPLES

This dispute raises the following legal question for the Office: (1) What are the maintenance and repair obligations of an association and homeowner, and how are the costs allocated between each party?

1. [What are the Maintenance and Repair Obligations of an Association and Homeowner, and How are the Costs Allocated Between Each Party?](#)

Summary: Under Utah law, homeowners' associations are responsible for maintaining common areas and providing primary insurance for attached dwellings, while individual owners are responsible for the interior of their homes and the payment of insurance deductibles in proportion to any loss. Applying these statutes to the present case, the Association is not required to reimburse Ms. Karr for the \$610 investigation fee because the costs were fundamentally linked to her interior repairs, and the Association has already fulfilled its legal obligation by remediating the common area damage.

General Legal Principle: [Utah Code § 57-8a-224\(2\)](#) states that an association is responsible for the maintenance, repair, and replacement of common areas, while homeowners are responsible for the maintenance, repair, and replacement of their individual lots. [Utah Code § 57-8a-403](#) requires an association to maintain property and liability insurance over the common areas, as well as the physical structures of attached dwellings within the association. In the event there is damage to property within an association, under [Utah Code § 57-8a-405\(6\)](#), the association's insurance policy is the primary insurance coverage, and the affected homeowners are responsible for payment of the association's policy deductible in proportion to the loss.

Who Pays? Understanding Your Association's Insurance Claim

When damage strikes your property, understanding who pays can be confusing. Here's how the insurance process works between you and your association during a major claim.



1. HOA Policy is Primary

When a covered loss affects the property, the association's master insurance policy provides the primary coverage for repairs.



2. You Pay Your Share of the Deductible

Each affected lot owner is responsible for a portion of the association's deductible, calculated based on their unit's percentage of the total damage.



3. Your Personal Policy Helps

Your own homeowner's insurance (building property coverage) is designed to apply to your share of the association's deductible.



4. Exception: Minor Damage

If the board determines the damage is likely less than the HOA's deductible, your personal policy becomes the primary insurance for damage to your lot.

Application to Matter: In this case, there is no dispute regarding the allocation of responsibility or costs associated with either the interior or exterior repair of Ms. Karr's home. Rather, the dispute centers on who should be responsible for the \$610.00 attributable to the "water intrusion investigation" required to determine the source of the problem. Ms. Karr argues that this expense was necessary to determine

where, outside the home, the issue was located, thereby allowing the Association to repair the portion of the property that is its responsibility; therefore, the Association should bear the investigation costs. The Association argues that, even if the Association were responsible for this cost, Ms. Karr would still ultimately be responsible for the payment under [Utah Code § 57-8a-405\(6\)\(b\)](#). Based on the information provided by the parties, the origination of the water intrusion investigation fees was connected to and in relation to Ms. Karr's interior repairs. While it may ultimately have been intended to determine the origin of the leaks and intrusion, the process and investigation were predicated on the repairs to the interior of her home. Additionally, under [Utah Code § 57-8a-405\(10\)](#), if the Association determines the repair amounts are unlikely to exceed the deductible amount, it is not required to submit the repair to its insurance carrier; however, it is still responsible for the costs associated with repairs to the common areas. There is no dispute between the parties that the Association has assumed these costs and that remediation measures have been taken regarding the common areas and related water intrusion. The Association has appropriately borne its share of the costs; the remainder is up to Ms. Karr. As such, the Association does not have the responsibility to reimburse Ms. Karr for \$610.00 and has not violated Utah law by refusing to do so.

CONCLUSION

Based on the information provided by the parties and the governing Utah statutes, the Office concludes as follows:

1. **Repair Requirements & Cost Allocation:** The Association is not required to reimburse Ms. Karr for the \$610 investigation fee because the costs were fundamentally linked to her interior repairs, and the Association has already fulfilled its legal obligation by remediating the common area damage.


Erin Rider (Feb 6, 2026 09:51:34 MST)

Erin Rider

Director



INFORMATION REGARDING ADVISORY OPINIONS

This document is an Advisory Opinion issued by the Office of the Homeowners' Association Ombudsman as an alternative dispute resolution method pursuant to [Utah Code § 13-79-104](#). The Office's jurisdiction is limited to alleged violations of state statutes, as outlined in [Utah Code § 13-79-103](#) and [Utah Code § 13-79-104](#). The opinions here are based on a review of the specific facts provided and may not correspond with outcomes in other cases where circumstances or laws differ. This opinion is not legal advice, does not establish an attorney-client relationship, and does not represent the official views of the State of Utah or the Department of Commerce. All parties are encouraged to seek legal counsel to protect their interests.

While this Advisory Opinion is not legally binding on any party, it could have potential consequences if the matter proceeds to litigation. Under Utah law, the opinion and related findings are not admissible as evidence in court, except for the specific purpose of evaluating attorney fees and costs. If a cause of action discussed in this opinion is litigated and resolved according to it, the prevailing party may recover reasonable attorney fees and court costs incurred from the date this opinion was issued. A court may also impose a civil penalty if it finds that the opposing party knowingly and intentionally violated the law. The decision to grant such awards rests within the court's discretion.

NOTICE TO ASSOCIATIONS

Condominium Associations must register with the Department of Commerce through the Office of the Homeowners' Association Ombudsman under [Utah Code § 57-8-13.1](#), and Community Associations must register under [Utah Code § 57-8a-105](#). Due to an updated registration system, any association that registered prior to September 2025 is required to complete a new registration, regardless of whether they have previously registered with the Department of Commerce. All associations must also renew their registration annually. Information about this process and the registration application is available at <https://commerce.utah.gov/hoa/new-registration/>.