

**SHADOW RUN CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS RESOLUTION  
REGARDING DAMAGE TO LOTS, INSURANCE DEDUCTIBLES, AND  
WATER LEAK PREVENTION**

**RECITALS**

WHEREAS, Shadow Run Condominium Association (the "Association") is governed by the Declaration of Horizontal Property Regime and of Covenants, Conditions, and Restrictions for Shadow Run Condominiums, recorded at Instrument No. 1985-497234, in the records of Maricopa County, Arizona (the "Declaration");

WHEREAS, Article 5, Section 5.2 of the Declaration requires the Association to maintain the Condominium Project, which includes the buildings, structures and improvements thereon;

WHEREAS, Article 10, Section 10.5 of the Declaration obligates Owners to maintain and repair the Unit, including, but not limited to air conditioning, cooling, heating and water heating units which service the Unit, any glass surfaces of a Unit, and the inner surfaces of the walls, ceilings, floors, windows, and doors;

WHEREAS, Article 5, Section 5.2 of the Declaration states that the Association is not responsible for the costs of maintaining or repairing damage caused by the willful or negligent act or neglect of an Owner or his guests, tenants, or invitees;

WHEREAS, Article 10, Section 10.7.3 of the Declaration obligates the Association to carry hazard insurance covering the Condominium Project;

WHEREAS, Article 10, Section 10.7.5 of the Declaration states Owners should ascertain the Association's insurance coverage and procure any such additional coverage as may be necessary;

WHEREAS, Article 5, Section 5.1.6 of the Declaration authorizes the Board to adopt reasonable Rules relating to the use of the Common Area and all facilities thereon, and the conduct of Owners and their tenants and guests with respect to the Project and other Owners;

WHEREAS, the Declaration has no express language on the responsibility for payment of deductibles for work incurred based on a claim on the Association's insurance policy, if there is coverage, and the Board wishes to clarify its practice under the Declaration;

WHEREAS, the Board hereby adopts the following Resolution to govern and clarify responsibility for maintenance and insurance obligations for water intrusion, leaks, potential damage; and payment of the insurance deductible;

THEREFORE, pursuant to the Governing Documents, authority pursuant to its express rulemaking authority in the Governing Documents and its implied rulemaking authority under Arizona

law, the Board of Directors for the Association adopts the following Resolution.

### **RESOLUTION**

This Resolution governs the process and procedures for damage and destruction of Units, i.e. damage from hazards, perils, sudden losses, fire, acts of nature (e.g. hail, tornado, floods), etc. that are not normal "wear and tear."

### **RULES COVERING THE COSTS OF DAMAGE IF LESS THAN THE INSURANCE DEDUCTIBLE**

1. If damage occurs solely to a Unit, and the amount of such damage is less than the Association's insurance deductible, the Owner of the Unit shall be responsible for the cost for repair, replacement, or restoration thereof, unless the damage was caused by another Unit Owner's willful or negligent act.
2. If damage occurs to more than one Unit that is less than the Association's insurance deductible, each respective Unit Owner shall be responsible for full payment of the cost of the repair, replacement or restoration thereof, unless the damage was caused by the negligence or willful misconduct of one particular Owner or the Owner's guests, tenants, licensees or invitees for which the offending Owner shall be held responsible for the full repairs.
3. If damage occurs solely to the Common Elements that is less than the Association's insurance deductible, the Association shall be responsible for the costs of repair, replacement or restoration thereof, unless the damage was caused by the negligence or willful misconduct of an Owner or the Owner's guests, tenants, licensees or invitees for which said Owner shall be held responsible.
4. Each Owner should be aware of the amount of the Association's insurance deductible so that the Owner carries proper insurance coverage to meet any gaps in insurance coverage. Each Owner is ultimately responsible for adequately insuring his or her own Unit and the belongings therein in amounts adequate to cover the loss resulting from water damage.

### **RULES RELATING TO PAYMENT OF INSURANCE DEDUCTIBLES**

1. If partial or complete damage covered by the Association's insurance policy is caused by the negligent or willful act of a Unit Owner, or the Owner's residents, family, guests, tenants or invitees, or from other known or unknown causes without any negligence being attributable, such Owner will be responsible to pay the full amount of the deductible, even if the Association causes contractors to be paid in order to facilitate adjusting the claim. The Association may ask for payment in advance from the Owner, or may ask for reimbursement and assess the deductible to the Owner's account, and may sue, if necessary, to recover such funds.
2. If more than one Unit is involved in any insured loss, and the cause of the damage cannot be attributable to any one Unit or Owner, if there is a single deductible, it will be proportionately distributed among all Units that have experienced the loss.

3. If the cause of the insured loss is directly attributable to a failure in operation of a portion of the Common Elements, the Association shall pay the full amount of the deductible.

### **RULES REGARDING INSURANCE CLAIM PROCEDURES**

1. Unit Owners must file all claims with the Association's managing agent, not with the Association's insurance agent. The managing agent will not refer the claim to the Association's insurance agent until the Unit Owner provides proof that the claim exceeds the applicable insurance deductible.
2. The Association shall adjust the claims and disburse insurance proceeds.
3. Owners are responsible for making claims against their own policies.
4. Owners are required to provide the Association with a Certificate of Insurance. Owners have a ninety (90) day grace period from the date of the recordation of this Resolution to provide the Association with a Certificate of Insurance.

### **GUIDELINES RELATING TO MAINTAINING UNITS TO HELP PREVENT WATER LEAKS, DAMAGE, AND INSURANCE CLAIMS**

1. Each Owner should install steel-braided toilet tank fill hoses with steel connectors and valve shutoffs at the wall.
2. Each Owner should install copper or steel-braided tubing on ice maker refrigerators to replace plain plastic tubing.
3. Each Owner should install steel-braided hoses with steel connectors and valve shutoffs at the wall connecting any and all bathroom or kitchen sink(s) to its water supply.
4. Each Owner should install copper or steel-braided hoses with steel connectors on any and all dishwasher water connections.
5. Each Owner should install copper or steel-braided hoses with steel connectors on any and all water heater connections.
6. If an Owner leaves a Unit vacant for more than seven (7) days, the Owner should shut off the water to the residence. If an Owner leaves a Unit vacant for more than two (2) weeks, and the hot water heater is older than 10 years, the Owner should have a person perform monthly inspections of the Unit to ensure that no water leaks or other damage has occurred.
7. Each Owner shall have a working ball valve water shut-off in their Unit. This valve is located next to the hot water heater. If the valve is the original screw valve when the unit was built, then the Owner is required to have the valve replaced with a new ball valve and provide proof of replacement.
8. Each Owner shall provide the Association with an emergency contact person with appropriate

contact information, including telephone number.

9. The failure of a Unit Owner to meet the obligations of this Section shall be deemed willful or negligent for purposes of liability and responsibility for resulting damage.

**COMPLIANCE WITH THIS RESOLUTION**

Each Owner is required to follow the Rules and guidelines stated above. Failure to do so may result in the Owner forfeiting any claims against the Association and being held responsible for any costs or expenses incurred.

**CERTIFICATION**

A majority of the Board of Directors adopted the above Resolution at a meeting duly called and held on the 18<sup>th</sup> day of August, 2021.

Shadow Run Condominium Association

By: 

Its: President