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**TERRACES AT TIBURON CONDOMINIUM ASSOCIATION, INC.  
BOARD RESOLUTION**

**Amended and Restated Rules Governing Maintenance, Insurance and Mold  
Remediation**

**(Effective January 1, 2023)**

WHEREAS, the Terraces at Tiburon Condominium Association, Inc. (the "Association") and all Units within the Condominium are governed by the Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for The Terraces at Tiburon Condominium recorded on October 16, 1986 as Document No. 1986-567511, records of Maricopa County, Arizona, and all amendments thereto (collectively, the "Declaration");

WHEREAS, capitalized terms not otherwise defined herein shall have the meaning set forth in the Declaration;

WHEREAS, pursuant to Section 6.2 of the Declaration, the Board has the authority to adopt, and amend and repeal rules that govern, among other things, the use of any area in the Condominium by any Owner and such Owner's lessees, invitees, and family;

WHEREAS, pursuant to Section 10.0(A) of the Declaration, the Association is responsible for property insurance on the General Common Elements and Limited Common Elements (collectively, the "Common Elements");

WHEREAS, effective January 1, 2023, the Association will change its property insurance to a "bare walls" policy, which does not cover any portion of the Units except for the wallboard (i.e., drywall) in the perimeter walls and ceilings (the "Perimeter Wallboard");

WHEREAS, pursuant to Section 10.5 of the Declaration, any loss covered by property insurance obtained by the Association shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association;

WHEREAS, pursuant to A.R.S. § 33-1255(C), unless otherwise provided for in the Declaration, any common expense benefitting fewer than all of the Units shall be assessed exclusively against the Units Benefitted;

WHEREAS, pursuant to A.R.S. § 33-1255(E), if any Common Expense is caused by the misconduct of any Unit Owner, the Association may assess that expense exclusively against that Unit;

WHEREAS, pursuant to Section 5.2 of the Declaration, each Owner shall be liable to the Association, to the extent permitted by Arizona law, for any damage to the General Common Elements or the Improvements, landscaping or equipment thereon, which results from the negligence or willful misconduct of the Owner; the cost to the Association of any such repair, maintenance or replacement required by such act of an Owner shall be paid by said Owner, upon demand, to the Association; and the Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments;

WHEREAS, the Board is concerned about water damage to Units and the Common Elements, and the potential ramifications of such damage to the members of the Association, as well as any members specifically affected due to the damage caused to Units and the Common Elements and the increase in insurance premiums that result from numerous water claims;

WHEREAS, the Board wants to ensure that the Owners properly maintain the Units and Limited Common Elements so as to avoid any resulting damage to the Common Elements or adjacent Units;

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

WHEREAS, on November 24, 2015, the Board adopted a resolution regarding interior damage to Units, which resolution was recorded as Document No. 2015-0859211, records of Maricopa County, Arizona (the "Prior Resolution"); and

WHEREAS, to avoid confusion, the Board wishes to amend, restate and replace the Prior Resolution in its entirety as set forth herein. Effective January 1, 2023, the Prior Resolution shall be of no further force or effect, except to the extent obligations arose under the Prior Resolution. Such obligations shall continue until they are satisfied or fulfilled.

NOW, THEREFORE, based on the power authorized to the Board and the responsibilities of the Owners, the Board hereby adopts the following resolution and makes the provisions below part of the Association's Rules:

**Article I:**  
**Rules Governing Notice and Remediation of Damage Caused by Insurable Events**

1. Upon the occurrence of an event or incident within the Condominium where the damage caused thereby is covered by the Association's property casualty policy, including but not limited to, a water leak or fire ("Insurable Event"), or any event which may potentially constitute an Insurable Event, any Unit Owner impacted thereby shall

immediately notify the Association of the incident. Accordingly, ***Unit Owners shall immediately notify the Association of (a) any broken or leaking water pipes, toilets, clothes washers or hot water heaters and (b) of any water intrusion into their Unit from the roofs, ceiling, wall, or windows.***

2. Such Owner must email notice to the Association's community manager at the management company within twenty-four (24) hours of the observation of the incident by Owner, tenant or other occupant of the Unit.
3. If an Owner's Unit will be vacant for more than fourteen (14) consecutive days, such Owner must arrange for someone to inspect their Unit at least once a week for the purpose of identifying any potential incident or damage. Such inspector or the Owner must report any evidence thereof to the Association as outlined herein.
4. Upon receiving notice of a potential Insurable Event from an Owner, the Association will arrange for inspection of the Unit and adjacent property to assess the damage.
5. If there is damage to property covered by the Association's property insurance and the damage is determined to be the result of an Insurable Event, the Association will arrange for the damage to be repaired, as necessary or appropriate, and will oversee the repair work. The Association will work with its insurance adjustor, contractors and/or inspectors as necessary to ensure that the work is completed in a timely manner.
6. To the extent that the Association's agents, managers, inspectors and/or contractors need to access a Unit(s) or Limited Common Element(s) in order to inspect or repair the damage, the Owner thereof shall provide such access upon reasonable notice from the Association.
7. Unless expressly authorized by the Association in writing, the Unit Owner shall refrain from undertaking any repair work to the Perimeter Wallboard or to the Common Elements (with the exception of work necessary to mitigate further damage, such as repairing a burst pipe).
8. Pursuant to Section 5.2 of the Declaration and A.R.S. § 33-1255(E), any Owner who: (1) fails to maintain their Unit in accordance with the Association's Condominium Documents, including the requirements set forth in this Board Resolution, and such failure results in damage to the Common Elements, (2) fails to provide timely notice of an Insurable Event to the Association and such failure results in damage to the Common Elements, (3) improperly undertakes its own work to repair the damage covered by the Association's insurance; and/or (4) fails to provide access to the Unit or Limited Common Elements upon reasonable notice and request from the Association, shall be responsible for any Common Expense (including, without limitation, any deductible) incurred by the Association as a result. The amount of such Common Expense shall be assessed against the Unit.

9. The Owner will be responsible for repairs and associated expenses pertaining to damage to all portions of the Unit, including personal property, except for damage to the Perimeter Wallboard covered by the Association's insurance.

**Article II:**  
**Rules Regarding Payment of the Association's Insurance Deductible and**  
**Costs Less than the Insurance Deductible**

1. The Association shall pay the deductible (or costs of repair less than the deductible for damage that would be covered by the Association's insurance) for all damage to the Common Elements, unless the damage was caused by an Owner's negligence or willful misconduct as set forth in Section 2 of this Article II.
2. If the negligence or willful misconduct of an Owner (or that Owner's lessees, invitees, and family) causes the damage, the Owner shall be responsible for the full amount of the deductible. In the event that the costs of repair, replacement, or restoration for such damage to a Unit or the Common Elements are less than the insurance deductible, the Owner shall be responsible for full payment of the costs thereof.
3. If there is damage to the Perimeter Wallboard of a Unit caused by an Insurable Event, then the Owner of the Unit shall be responsible for any portion of the deductible attributable to the costs of repair, replacement, or restoration of the Perimeter Wallboard (or such costs less than the deductible for damage that would be covered by the Association's insurance).
4. The Board shall determine the amount of deductible, or cost incurred if the amount is less than the deductible, to be paid by each party in accordance with Sections 1, 2 and 3 of this Article II. If an Owner is required to pay a deductible, or cost incurred if the amount is less than the deductible, to repair a Unit or the Common Elements, such cost shall be assessed exclusively against the Owner's Unit.
5. If damage is caused to the Common Elements that is not covered by insurance, and if such damage was caused by the negligence or willful misconduct of an Owner (or that Owner's lessees, invitees, and family), the Association shall charge the Owner for the cost to repair such damage, which cost shall be paid by the Owner, upon demand, to the Association. Any such cost shall be assessed exclusively against the Owner's Unit.
6. If damage is caused to one Unit by another Unit that is not covered by the Association's insurance, the Owners of the Units involved shall be responsible for determining who is responsible for paying for the damage. The Association does not intend to get involved in disputes between Owners regarding damage that is not covered by the Association's insurance.
7. Each Owner needs to be aware of the Association's "bare wall" property insurance coverage and 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 should check with his or her insurance carrier.

### **Article III:** **Preventative Maintenance Policy**

#### Section 1: Unit Owner Requirements

The following are required of each Unit Owner:

- A. Any Owner, tenant, or other occupant that leaves their Unit unoccupied for more than seven (7) consecutive days should turn off the water to their Unit to the maximum extent possible.
- B. If an Owner's Unit will be vacant for more than fourteen (14) consecutive days, such Owner must arrange for someone to inspect their Unit at least once a week for the purpose of identifying any potential incident or damage. Such inspector or the Owner must report any evidence thereof to the Association as outlined herein.
- C. Each Unit Owner shall provide the Association with the appropriate contact information for an emergency contact person, including telephone number. Each Owner shall be responsible for updating the information on file with the Association as necessary.

If a water intrusion or other property damage is caused by the failure of an Owner to comply with these requirements, such failure may constitute negligence or misconduct by that Owner under A.R.S. § 33-1255(E) and/or Section 5.2 of the Declaration.

#### Section 2: Prohibited Actions

The following actions are prohibited:

- A. Throwing or flushing any foreign object (i.e., any item that is not intended to enter into the sewer/plumbing system) into the sewer/plumbing system, including but not limited to, female hygiene products and paper products, other than toilet paper.

In the event that any foreign object has caused the need for repair or service upon a sewer/plumbing line that serves the Unit, the Common Elements, or forms part of any system serving more than one Unit, the cost of such repair or service shall be charged and assessed against such Owner and such assessment shall constitute a lien against the Owner's Unit.

#### Section 3: Recommendations for Preventative Maintenance

The following are recommended best practices to help prevent water leaks or other casualty loss:

- A. Install steel-braided toilet tank fill hoses with steel connectors and ball valve shutoffs at the wall. These will replace the fill hoses with plastic connectors at the toilet tank and screw-type shutoff valves.
- B. Install steel-braided washer hoses to replace plain rubber hoses.
- C. Install copper, steel-braided, or nylon mesh tubing on ice makers to replace plain plastic tubing.
- D. Install steel-braided hoses with steel connectors and ball valve shutoffs at the wall connecting any and all bathroom or kitchen sink(s) to its water supply.
- E. Install copper or steel-braided hoses with steel connectors on any and all dishwasher water connections.
- F. Visually inspect the water heater for leaks and corrosion on a regular basis. Have a licensed plumber check the water heater drain pan and drain line for debris, clean the drain pan and drain line as necessary, flush the water heater to prevent calcium buildup, and check the integrity and operation of the water heater at professionally recommended time increments. Replace water heaters when professionally recommended to do so.
- G. Ensure that the HVAC unit and the portion of any HVAC condensation line that serves only the Unit is inspected and cleaned on a regular basis by a licensed contractor. Change out the air filter for the HVAC unit as often as professionally recommended.
- H. Install flood stops or substantially similar hardware on their appliances and other sources of running water (e.g., toilets, sinks, etc.) to the maximum extent possible. Furthermore, after the expiration of the warranty period for any appliance, have a qualified plumber or technician inspect the appliance on a regular basis and provide any needed maintenance.
- I. Avoid putting the following or similar items down a kitchen drain or into the garbage disposal: cooking oils, grease, rice or pasta, animal bones or fats, egg shells, any sort of string vegetable such as asparagus or celery, peeling or rinds of any kind, coffee grounds, paper towels, and large amounts of table scraps at any one time.
- J. Keep a working fire extinguisher on hand within the Unit.

If a water intrusion or other property damage is caused by the failure of an Owner to comply with these ongoing maintenance recommendations, such failure may constitute negligence or misconduct by that Owner under A.R.S. § 33-1255(E) and/or Section 5.2 of the Declaration.

**Article IV**  
**Mold and Mold Remediation**

1. As mold is not covered under the Association's insurance policy, the Owner of the Unit is responsible for all remediation of mold that occurs within a Unit or the Limited Common Elements which the Unit Owner is obligated to maintain. If the Owner is responsible for remediating any mold as set forth in this paragraph, the Owner must provide the Association with certification that the mold has been properly remediated. Furthermore, the Owner is responsible for remediating any mold on any items contained within the Unit or the Limited Common Elements which the Unit Owner is obligated to maintain, including, but not limited to, costs of cleaning contaminated furniture, clothing or floor coverings. Additionally, the Owner is responsible for any other costs that may be associated with mold within the Unit, including but not limited to, the cost of alternate lodging or storage until the mold is remediated.
2. The Owner is also responsible for the cost of remediating any mold to the General Common Elements caused by the negligence or willful misconduct of an Owner (or that Owner's lessees, invitees, and family). All expenses in connection therewith shall be charged to and assessed against such Owner and such assessment shall constitute a lien against the Owner's Unit.

The Board of Directors may amend or modify the rules and policies set forth above by adopting a subsequent Board Resolution.

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The Board of Directors adopted the above resolution on December 22, 2022.

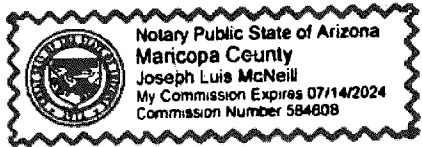
TERRACES AT TIBURON CONDOMINIUM ASSOCIATION, INC.

By: *Lynn F. McDonough*

Its: President

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa                 )

On this 23<sup>rd</sup> day of December, 2022, before me personally appeared *Lynn F. McDonough*, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that ~~he~~ she signed this document.



*Joseph Luis McNeill*  
Notary Public

Notary Seal: