

**CLUB SCOTTSDALE CONDOMINIUM ASSOCIATION  
REPAIRS AND INSURANCE DEDUCTIBLE  
RESOLUTION**

**RECITALS**

WHEREAS, Club Scottsdale Condominium Association (the “Association”) is governed by the Declaration of Covenants, Conditions and Restrictions, recorded at Instrument No. 97-137049, in the records of Maricopa County, Arizona (the “Declaration”) and any amendments thereto;

WHEREAS, Section 6.2 of the Declaration requires the Association to maintain, repair and replace the Common Elements and portions of the Limited Common Elements;

WHEREAS, Section 6.2 and 10.5 of the Declaration obligates Owners to maintain, repair, and replace portions of the Units and Limited Common Elements for which the Association is not responsible.

WHEREAS, Paragraph 8.11 of the Declaration states that the costs of any damage to Common Elements caused by an Owner or his guests, tenants, or invitees is the responsibility of said Owner to pay;

WHEREAS, Section 10.7.2 of the Declaration obligates the Association to carry master casualty insurance covering all improvements on the property.

WHEREAS, 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 or desirable;

WHEREAS, the Association’s insurance premiums are a Common Expense, except that the Association shall not have the obligation to maintain insurance for any additions, alterations or improvements made to a Unit by an Owner within a Unit.

WHEREAS, the Arizona Condominium Act (“Act”) provides, “[a]ny common expense associated with the maintenance, repair or replacement of a limited common element shall be equally assessed against the units to which the limited common element is assigned.” *See* A.R.S. § 33-1255(C)(1).

WHEREAS, the Act provides, “[a]ny common expense or portion of a common expense benefitting fewer than all of the units shall be assessed exclusively to the units benefitted.” *See* A.R.S. § 33-1255(C)(2).

WHEREAS, the Association’s Board of Directors (“Board”) wishes to clarify the responsibility of the Association and Owners to pay the insurance deductibles for claims tendered on the Association’s insurance policies and the responsibility of the Association and Owners to pay costs less than the Association’s insurance deductible for damage covered by the Association’s insurance policies.

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.

**REPAIRS AND INSURANCE DEDUCTIBLE**  
**RESOLUTION**

This Resolution governs the process and procedures for damage to Units, including the responsibility of the Association and Owners to pay the insurance deductibles for claims tendered on the Association's insurance policies and the responsibility of the Association and Owners to pay costs less than the Association's insurance deductible for damage covered by the Association's insurance policies.

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

1. If damage occurs solely to a Unit or Limited Common Element allocated to the Unit, and the amount of such damage is less than the Association's insurance deductible, the Unit's Owner shall be solely responsible for full payment of the cost for repair, replacement, or restoration thereof. The Association Board reserves the right of judgment to determine if the repairs to the external portions of the damage to a Unit fall within the obligations of the Association. If the damages are clearly caused by the Owner and/or tenant or guest, then that Owner will bear the full responsibility.
2. If damage occurs solely to a Unit or Limited Common Element allocated to the Unit and the amount of such damage is equal to or greater than the Association's insurance deductible, the Unit's Owner shall be responsible for payment of the Association's insurance deductible.
3. If damage occurs to more than one Unit or Limited Common Element allocated to those Unit(s) that is less than the Association's insurance deductible, the Owner of each damaged Unit shall be responsible for full payment of the cost of the repair, replacement, or restoration of his or her Unit or Limited Common Element, except for any portion that the Association may be responsible for under the provisions of the Declaration.
4. For damage to one or more Units or Limited Common Elements allocated to the Units, including any portions of Units for which the Association provides routine maintenance, if any, the Board reserves the right to determine whether the Association will repair such damage. If the Association elects to make such repairs, the Board reserves the right to determine that the Association will assess the cost of such repairs to the Units benefitted or to any such Units determined to have caused the damage, in a pro rata share, to be split between said Owner(s) as applicable.
5. If damage occurs to the Common Elements in an amount less than the Association's insurance deductible, the Association shall be responsible for the costs of repair, replacement, or restoration thereof. The Board reserves the right to determine that the Association will pass the cost of such repair, replacement, or restoration to the Units benefitted by the Common Elements, if fewer than all Units are benefitted.

6. If damage occurs to the Common Elements in an amount equal to or greater than the Association's insurance deductible, the Association shall be responsible for full payment of the Association's insurance deductible. The Board reserves the right to determine that the Association will pass the cost of such repair, replacement, or restoration to the Units benefitted by the Common Elements, if fewer than all Units are benefitted.
7. If damage occurs to the Common Elements in an amount less than the Association's insurance deductible, and the damage is caused by the negligence or willful act or omission of an Owner or a member of his or her family, household pet, guest, or other occupant, visitor, or invitee of the Owner, the Owner shall be solely responsible for the full costs of repair, replacement, or restoration thereof.
8. If damage occurs to the Common Elements in an amount equal to or greater than the Association's insurance deductible, and the damage is caused by the negligence or willful act or omission of an Owner or a member of his or her family, household pet, guest, or other occupant, visitor, or invitee of the Owner, the Owner shall be solely responsible for the full amount of the Association's insurance deductible.
9. Each Owner should be aware of the amount of the Association's insurance deductible. Owners must carry sufficient insurance coverage to meet any gaps in insurance coverage or to cover their personal belongings or any additions or improvements to the Unit. Each Owner is ultimately responsible for adequately insuring his or her own Unit, whether the Association insures or not.
10. The Board reserves the right to determine the Association will first cover the cost of repair of any damage to the Property or pay the Association's insurance deductible, and then seek reimbursement from the Owners of the Units benefitted. Alternatively, the Board may determine the Owners of the Units benefitted must pay the cost of repair or any damages or the Association's insurance deductible.

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

1. Owners must first seek to 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 Owner provides proof 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.

#### **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 21 day of \_\_\_\_\_ November, 2024.

Club Scottsdale Condominium Association

A handwritten signature in black ink, appearing to be "James W. [unclear]", written over a horizontal line.

By: \_\_\_\_\_  
Its: President