

**VENU AT GRAYHAWK CONDOMINIUM ASSOCIATION**

**RESOLUTION OF THE BOARD OF DIRECTORS  
REGARDING DAMAGE TO UNITS, INSURANCE DEDUCTIBLES, AND WATER  
LEAK PREVENTION**

The undersigned, constituting all members of the Board of Directors of the Venu at Grayhawk Condominium Association, an Arizona nonprofit corporation (the "Association"), hereby take the following action by unanimous vote at a duly noticed Board of Directors meeting held on June 16, 2020.

**Recitals**

A. The Association is governed by the Condominium Declaration for Venu at Grayhawk Condominium, which is recorded as Document No. 2004-0207062, official records of the Maricopa County Recorder, State of Arizona, and any amendments thereto (the "Declaration");

B. All Units within the Association are governed by the Declaration;

C. Section 6.3 of the Declaration allows the Association, through its Board of Directors (the "Board") to adopt, amend, and repeal rules and regulations governing and restricting, among other things, the use of the Units and the Common Elements;

D. Section 5.1 of the Declaration provides that the Association is responsible for the maintenance, repair, and replacement of the Common Elements;

E. Section 5.2 of the Declaration provides that the Unit Owners are responsible for the maintenance, repair, and replacement of their Units, as well as certain Limited Common Elements allocated to their Units;

F. Section 9.1 of the Declaration provides that any portion of the Condominium for which insurance is maintained by the Association which is damaged or destroyed shall be repaired or replaced promptly by the Association;"

G. Section 9.5 of the Declaration provides that installation of improvements to, and repair of any damage to, the interior of a Unit not covered by property insurance maintained by the Association shall be made at the individual expense of the Owner of the Unit;"

H. Section 8.1.1(a) of the Declaration obligates the Association to maintain "[a] special form policy of property insurance with sprinkler leakage, debris removal and water damage endorsements, insuring the Common Elements;"

I. Section 8.1.1(a) of the Declaration permits the Association, at the discretion of the Board, to obtain property insurance covering the Units, except for "(i) additions, alterations and

improvements supplied or installed by the Unit Owners; and (ii) furniture, furnishings or other personal property of the Unit Owners;”

J. Section 8.1.3 of the Declaration deems any insurance deductible to be paid by the Association to be a Common Expense of the Association, and Section 7.2.3 of the Declaration provides that all Common Expenses shall be assessed against all of the Units;

K. Notwithstanding Recital K hereinabove, Section 8.1.3 of the Declaration permits the Association to assess any part of any insurance deductible due under any insurance policy maintained by the Association to a Unit Owner if payment of the deductible was “necessitated by the negligence, misuse or neglect for which such Unit Owner is responsible;”

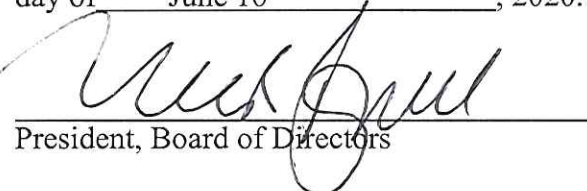
L. Notwithstanding Recital K hereinabove, Section 5.3 of the Declaration provides that “[e]ach Owner shall be liable to the Association for any damage to the Common Elements or the Improvements, landscaping or equipment thereon which results from the negligence or willful misconduct of the Owner or of the Owner’s Lessees, Occupants or Invitees” and the cost thereof shall be assessed to the responsible Unit Owner;

M. Notwithstanding Recital K hereinabove, Section 7.2.4 of the Declaration provides that the Association shall assess any Common Expense caused by the misconduct of a Unit Owner exclusively against such Unit Owner’s Unit;

N. Section 8.4 of the Declaration, provides that Unit Owners shall be responsible for obtaining, to the extent such coverage is not provided by the insurance policies maintained by the Association “(a) property insurance on his Unit and all fixtures, furnishings, cabinets and appliances and all personal property of the Owner located in the Unit; and (b) comprehensive general liability insurance covering his Unit;”

NOW, THEREFORE, based on the power authorized to the Board, the Board hereby adopts the following resolution and makes the provisions below part of the Association’s rules and regulations, concerning damage to Units, payment of insurance deductibles, and water leak prevention.

IN WITNESS WHEREOF, the undersigned have executed this consent as of this \_\_\_\_\_ day of June 16, 2020.

  
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President, Board of Directors

**RESOLUTION OF THE BOARD OF DIRECTORS  
REGARDING DAMAGE TO UNITS, INSURANCE DEDUCTIBLES, AND WATER  
LEAK PREVENTION**

**Rules Regarding the Cost of Damage if Less than the Insurance Deductible**

1. Damage to One Unit Only: If the Association's insurance policies include property insurance covering the Units, and if damage occurs solely to one Unit, and if the amount of such damage is less than the Association's insurance deductible, the Association will not tender a claim under its insurance policy on behalf of the Unit Owner. The Unit Owner, at the Unit Owner's sole cost and expense, will be responsible to repair, replace, or restore the damage to the Unit.

2. Damage to More than One Unit: If the Association's insurance policies include property insurance covering the Units, and if damage occurs to more than one Unit, and if the amount of such damage is less than the Association's insurance deductible, the Association will not tender a claim under its insurance policy on behalf of the Unit Owners. The Unit Owners, at the Unit Owners' sole cost and expense, will be responsible to repair, replace, or restore the damage to their respective Units.

3. Damage to the Common Elements: If damage occurs solely to the Common Elements, and if the amount of such damage is less than the Association's insurance deductible, the Association will not tender a claim under its insurance policy. The Association will be responsible for the repair, replacement or restoration of the damage to the Common Elements, and the cost thereof will be a part of the Common Expenses. If damage to the Common Elements is caused by the negligence misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the repair, replacement, or restoration to the responsible Unit Owner.

4. Damage to the Common Elements and One or More Units: If damage occurs to the Common Elements and one or more Units, and if the amount of such damage is less than the Association's insurance deductible, the Association will not tender a claim under its insurance policy. The Association will be responsible for the repair, replacement, or restoration of the damage to the Common Elements, and the cost thereof will be a part of the Common Expenses. If damage to the Common Elements is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the repair, replacement, or restoration to the responsible Unit Owner. The Unit Owners, at the Unit Owners' sole cost and expense, will be responsible to repair, replace, or restore the damage to their respective Units.

**Rules Regarding Payment of the Insurance Deductible  
if Damage Exceeds the Deductible**

1. Damage to One Unit Only: If the Association's insurance policies include property insurance covering the Units, and if damage occurs solely to one Unit, and if the amount of such damage exceeds the Association's insurance deductible, the Association will

tender a claim under its insurance policy on behalf of the Unit Owner, and the insurance deductible will be paid for by the Association as part of the Common Expenses. The Association will hold the insurance proceeds in trust for the Unit Owner to be disbursed to the Unit Owner to enable the Unit Owner to proceed with repairing the Unit. The Unit Owner, at the Unit Owner's sole cost and expense, will be responsible to repair, replace, or restore any damage to the Unit that is not covered by the Association's insurance policy. If damage to the Unit is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the insurance deductible to the responsible Unit Owner.

2. Damage to More than One Unit: If the Association's insurance policies include property insurance covering the Units, and if damage occurs to more than one Unit, and if the amount of such damage exceeds the Association's insurance deductible, the Association will tender a claim under its insurance policy on behalf of the Unit Owners, and the insurance deductible will be paid for by the Association as part of the Common Expenses. The Association will hold the insurance proceeds in trust for the Unit Owners to be disbursed to the Unit Owners to enable the Unit Owners to proceed with repairing the Units. The Unit Owners, at the Unit Owners' sole cost and expense, will be responsible to repair, replace, or restore any damage to their Units that is not covered by the Association's insurance policy. If damage to the Units is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the insurance deductible to the responsible Unit Owner.

3. Damage to the Common Elements: If damage occurs solely to the Common Elements, and if the amount of such damage exceeds the Association's insurance deductible, the Association will tender a claim under its insurance policy. The Association will be responsible for the repair, replacement, or restoration of the damage to the Common Elements, and the cost thereof will be a part of the Common Expenses. If damage to the Common Elements is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the repair, replacement, or restoration to the responsible Unit Owner.

4. Damage to the Common Elements and One or More Units: If damage occurs to the Common Elements and one or more Units, and if the amount of such damage exceeds the Association's insurance deductible, the Association will tender a claim under its insurance policy. The Association will be responsible for the repair, replacement, or restoration of the damage to the Common Elements, and the cost thereof will be a part of the Common Expenses. The Association will hold the insurance proceeds in trust for the Unit Owners to be disbursed to the Unit Owners to enable the Unit Owners to proceed with repairing the Units. The Unit Owners, at the Unit Owners' sole cost and expense, will be responsible to repair, replace, or restore any damage to their Units that is not covered by the Association's insurance policy. If damage to the Common Elements and/or Units is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of the insurance deductible to the responsible Unit Owner.

5. Each Unit Owner should be aware of the amount of the Association's insurance deductible so that the Unit Owner carries proper insurance coverage to meet any gaps in insurance coverage. Each Unit Owner is ultimately responsible for adequately insuring his or her Unit, regardless of whether or not the Association provides insurance coverage for the Units.

### **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. Time is of the essence with filing insurance claims; the Association's insurance carriers may deny claims that are not timely filed.

3. The Association shall adjust all claims and disburse insurance proceeds.

4. Unit Owners are responsible for making claims against their own policies.

5. In the event an insurance claim is denied, the Association will be responsible for repairing, replacing, or restoring damage to the Common Elements, and the cost thereof shall be a part of the Common Expenses, and Unit Owners will be responsible, at their sole cost and expense, for repairing, replacing, or restoring damage to their Units. If damage to the Common Elements is caused by the negligence, misuse, neglect, or misconduct of a Unit Owner or a Unit Owner's Lessees, Occupants, or Invitees, the Association will assess the cost of repairing, replacing, or restoring the Common Elements to the responsible Unit Owner.

### **Recommendations for Maintaining Units, Water Leak Prevention, and Water Damage Mitigation**

1. The Association recommends that each Unit Owner install steel-braided toilet tank fill hoses with steel connectors and ball valve shutoffs at the wall.

2. The Association recommends that each Unit Owner install copper, steel-braided, or nylon mesh tubing on ice maker refrigerators to replace plain plastic tubing.

3. The Association recommends that each Unit Owner install steel-braided hoses with steel connectors and ball valve shutoffs at the wall connecting any and all bathroom and kitchen sinks to its water supply.

4. The Association recommends that each Unit Owner install copper or steel-braided hoses with steel connectors on any and all dishwasher water connections.

5. If a Unit Owner, Lessee, or Occupant leaves a Unit vacant for more than seven (7) days, the Association recommends that the Unit Owner, Lessee, or Occupant shut off connections where water could leak. If a Unit Owner, Lessee, or Occupant leaves a Unit vacant

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for more than two (2) weeks, the Unit Owner, Lessee, or Occupant should have a person perform weekly inspections of the Unit to ensure that no water leaks or other damage has occurred.

6. The Association recommends that each Unit Owner provide the Association with an emergency contact person with appropriate contact information, including telephone number.

**Compliance with this Resolution**

Each Unit Owner is required to follow the rules and recommendations stated above. Any Unit Owner who fails to follow the Association's Recommendations for Maintaining Units, Water Leak Prevention, and Water Damage Mitigation will be deemed to be negligent in the maintenance of the Unit Owner's plumbing outlets, fixtures, pipes, etc. Further, failure to follow the rules and regulations may result in the Unit Owner forfeiting any claims against the Association and being held responsible for any costs or expenses incurred.