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November 13, 2012

Unit Owners  
Paradise View Villas Condominium Owners Association

**RE: Insurance**

Dear Owners,

This law firm represents your condominium association, Paradise View Villas. We have been working with the Association over the last several weeks to address an issue regarding insurance. Specifically, even though the "CC&Rs" for Paradise View Villas do not require it, the Association has been providing "all-inclusive" insurance coverage on the individually owned units. The association is currently in the process of adjusting its insurance coverage to "bare walls" coverage required by the CC&Rs. Because this level of coverage is less than the level of coverage that the Association previously carried, we have recommended that the Board execute a "Notice of Policy on Insurance" that places the responsibility on individual unit owners to provide insurance on their units if insurance in excess of what the Association provides is desired. The notice also places the burden on each unit owner to find out from the association what portions of the units the association is paying to insure, if any.

The enclosed "Notice of Policy on Insurance" is an important legal document that impacts your investment in Paradise View Villas. Also enclosed is a Maintenance Guide and relevant CC&R provisions. Please be sure to consult with your insurance agents, brokers and other professionals regarding your individual unit, your maintenance responsibilities and the insurance you desire to have in effect for your unit. Also, please note that the Association may assess to a unit owner any deductible amount necessitated by the negligence, misuse or neglect of a unit. You may also want to discuss deductible coverage with your insurance agent as well.

Although this letter is written to you, the lawyers in this firm do not represent you individually as unit owners. We represent a nonprofit corporation (Paradise View Villas) and have given our advice to the Board of Directors of that corporation. If you desire legal advice on this matter personally, you must engage your own attorney.

Sincerely,  
  
Jason N. Miller, Esq.  
for

CARPENTER, HAZLEWOOD, DELGADO & BOLEN, PLC

<b>Paradise View Villas - Maintenance Guide</b>				
<u>Maintenance Item</u>	<u>Reference in CC&amp;Rs</u>	<u>Association Responsibility?</u>	<u>Unit Owner Responsibility?</u>	<u>Item to Consider for Insurance Under Unit Owner's Insurance Policy?</u>
Interior of Each Townhome and Condominium (From the Unfinished Surfaces of Interior Walls Inward)	Declaration 2.5/Unit Boundaries/Paragraph 2.5.1; 5.2	No	Yes	Yes
Floors, Ceilings, Doors, Windows, Flooring, Drywall, Wallboards, Lathe, Paneling, Tiles, Wallpaper, Paint, Finished Flooring	Declaration/Paragraph 2.5.1; 5.2; 8.1	No	Yes	Yes
"Any Other Materials Constituting Any Part of the Finished Surface of Walls, Floor and Ceiling"	Declaration/Paragraph 2.5.1; 5.2; 8.1	No	Yes	Yes
"Wires, Conduits, Heating and Air Conditioning Units, Hot Water Heaters and Water and Electric Pipes, Lines or Meters <i>within Boundaries of the Unit</i> "	Declaration 2.5/Unit Boundaries/Paragraph 2.5.2; 5.2	No	Yes	Yes
"Wires, Conduits, Heating and Air Conditioning Units, Hot Water Heaters and Water and Electric Pipes, Lines or Meters <i>outside Boundaries of a Unit that serve only one Unit or partially within and outside the Boundaries of a Unit that serve only one Unit</i> "	Declaration 2.8.1(i)-(ii)/Limited Common Element/Paragraph 5.2	No	Yes	Consult agent
First Floor Unit - Adjoining Patio	Declaration 2.8.1(iii); First Amendment to Declaration 4(d); Limited Common Element/Paragraph 5.2	No	Yes	Consult agent
Second & Third Floor Unit - Adjoining Deck	Declaration 2.8.1(iii); First Amendment to Declaration 4(c); Limited Common Element/Paragraph 5.2	No	Yes	Consult agent
Attached Garage	Declaration 2.8.1(iii); First Amendment to Declaration 4(e); Limited Common Element/Paragraph 5.2	No	Yes	Consult agent
Entire Condominium Except the Units and the Limited Common Elements assigned to the Units	Declaration Paragraph 8.1.1(i); 1.2.8; 5.1	Yes	No	No

Roof, Exterior Building Surfaces, Walkways, Parking Areas, Roadways, Landscaping, Perimeter Walls, Pool, Recreational Facilities, Elevators, Gates, Perimeter Lighting and Carports	Declaration Paragraph 8.1.1(i); 1.2.8; 5.1	Yes	No	No
Disclaimer: Refer to the actual CC&R's for the exact description of what is included or not included under maintenance responsibilities.				

PARADISEVWVILLAS0001-2-1-1--  
mcdevittr

**When Recorded Return To:**

Carpenter, Hazlewood, Delgado & Bolen, PLC  
1400 East Southern Ave., Suite 400  
Tempe, Arizona 85282

**NOTICE OF POLICY ON INSURANCE**

THIS NOTICE OF POLICY ON INSURANCE (the "Notice") is provided this 14<sup>th</sup> day of NOVEMBER, 2012, by **Paradise View Villas Condominium Owners Association**, an Arizona non-profit corporation (The "Association").

**RECITALS**

WHEREAS, the Association is a non-profit corporation whose members are the Owners of Units within the Association. The Units that comprise the Association are governed by that certain Declaration Condominium Declaration for Paradise View Villas, duly recorded on February 5, 2003 at Maricopa County Recorder instrument no. 2003-0141292, and all subsequently adopted and recorded amendments inclusive (hereinafter the "Declaration");

WHEREAS, pursuant to Section 8.1 of the Declaration, the Association shall maintain property insurance insuring the entire Condominium, except for furniture, wall coverings, improvements and additions, and fixtures supplied or installed by the Unit Owners or any furniture, furnishings or other personal property of the Unit Owners;

WHEREAS, pursuant to Arizona Revised Statutes § 33-1253 (B), the insurance obtained by the Association is not required to include all portions of the Units or improvements and betterments installed in the Units by Unit Owners or the personal property of Unit Owners;

WHEREAS, the Association desires to provide constructive notice (and actual notice to Unit Owners in the Association as of the date of this Notice) that the insurance coverages provided by the Association, as of the date of this notice, is known as "bare walls" coverage, and does not currently include wall or floor coverings, fixtures, improvements or betterments installed by Unit Owners or the furniture, furnishing or other personal property of Unit Owners;

WHEREAS, the Association wishes to place current and future Owners of Units on notice that the Owners can purchase insurance on any portion of the Units or contents not covered by an Association owned policy; and

THEREFORE, the Association, through a duly authorized vote of the Board of Directors, hereby states as follows:

