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Palumbo

RESOLUTION OF THE BOARD OF DIRECTORS
THE TERRACES AT TIBURON CONDOMINIUM ASSOCIATION, INC.

Adopted November 24, 2015

At a duly called and noticed meeting of the Board of Directors on November 24, 2015, the Board resolved as follows:

WHEREAS, the Board of Directors of the Terraces at Tiburon Condominium Association, Inc. (the "Association") has recognized a need to implement a policy concerning interior damage to Units within the Association and the reimbursement of costs associated with the use of the Association's insurance; and

WHEREAS, A.R.S. § 33-1255(C)(2), a portion of the Arizona Condominium Act, states:

Unless otherwise provided for in the declaration (the CC&Rs) all of the following apply... Any common expense or portion of a common expense benefiting fewer than all of the units shall be assessed exclusively against the units benefited.

WHEREAS, A.R.S. § 33-1255(C)(2) creates a mandatory obligation for condominium associations to "pass through" common expenses that benefit fewer than all of the units to the units benefited; and

WHEREAS, certain interior damage claims set forth by Unit Owners would fall within the requirements of A.R.S. § 33-1255(C)(2); and

BE IT THEREFORE RESOLVED, that the Board of Directors, in full compliance with Arizona Revised Statute § 33-1255(C)(2) and the CC&Rs hereby adopts the following policy:

It is the policy of the Association that any interior damage caused to a Unit within the Association due to interior water pipes shall be the responsibility of the Unit Owner. Also, Unit Owners shall be responsible to maintain all interior water pipes. If a Unit Owner wishes for the Association to repair interior damage caused to the Unit, the Association, pursuant to A.R.S. § 33-1255(C)(2), will repair said damage and place all costs of repair on the Unit Owner's account ledger. The Unit Owner will be responsible for payment of any amounts placed on their ledger pursuant to this policy. This also includes the payment of any insurance deductible incurred and costs to facilitate the use of Association insurance where the Association's insurance is used to repair interior damage caused to the Unit. If Association insurance is used, all funds shall be managed and disbursed by the Association, at the sole

discretion of the Association and all work performed shall be performed at the sole discretion of the Association.

BE IT ALSO RESOLVED, that this resolution is included in the books and records of Association and that a copy of this resolution is sent to all homeowners in the Association.

Paul R. West Director

Gerardo E. Lopez Director

Michael Robert Director

Elba Calabrey Garcia Director

S.A. Lucien Director