

Vision Community Management
16625 S Desert Foothills Pkwy
Phoenix, AZ 85048

**LA TIERRA CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS RESOLUTION REGARDING DAMAGE TO LOTS,
INSURANCE DEDUCTIBLES, AND WATER LEAK PREVENTION**

WHEREAS, La Tierra Condominium Association ("Association") is governed by an Amended and Restated Condominium Declaration, recorded on February 2, 2006, at recording number 2006-0154345, Official Records of Maricopa County, Arizona, and all amendments thereto ("Declaration"). The Declaration applies to the real property as described in the Plat recorded in Book 269 of Maps, Page 37 of the Official Records of Maricopa County, Arizona;

WHEREAS, all Units within the Association are governed by the Declaration;

WHEREAS, Article 6, Section 6.3 of the Declaration allows the Association, through the Board of Directors, to adopt and enforce reasonable rules and regulations governing all parts of the Project, including the Units;

WHEREAS, Article 5, Section 5.1 of the Declaration provides that the Association is responsible for the maintenance, repair and replacement of the Common Elements;

WHEREAS, Article 5, Section 5.2 of the Declaration provides that Unit Owners are responsible for the maintenance, repair and replacement of their Units and the Limited Common Elements, except as provided by the Association. The Association, according to Section 5.1 of the Declaration, is responsible for the maintenance, repair and replacement of the walls of the Patios and Balconies of the Units, the painting of the exterior of the Buildings and Party Fences, and the maintenance of landscaping in the Common Areas;

WHEREAS, Article 5, Section 5.2 of the Declaration also states that each Owner is strictly liable to the Association and to other Owners for any damage to the Common Elements or other Units caused by water intrusion into the Common Elements or other Units from the Owner's Unit;

WHEREAS, Article 5, Section 5.3 of the Declaration provides that Lot Owners are responsible for damage caused to Common Elements or Improvements caused by the negligence or willful misconduct of an Owner or the Owner's, tenants, guests, licensees or invitees;

WHEREAS, pursuant to Article 8, Section 8.4 of the Declaration, Owners are responsible to obtain property insurance for their Units and all fixtures, furnishings, cabinets, appliances and their personal property;

WHEREAS, in the event of partial or complete destruction of or damage to a Unit that is not covered by insurance, pursuant to Section 9.5 of the Declaration, it is each Owner's responsibility, at his sole cost and expense, to repair the interior of his Unit;

WHEREAS, Article 8 of the Declaration obligates the Association to carry insurance on the Common Elements and permits the Association to obtain other insurance, which can include hazard insurance on the Buildings and Units, except for additions, alterations and improvements installed by the Owners;

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

NOW, THEREFORE, based on the power authorized to the Board of Directors and the responsibilities of the Owners, the Board of Directors hereby adopts the following resolution and makes the provisions below part of the Association's rules and regulations, concerning damage and destruction of Units, i.e. damage from hazards, perils, sudden losses, fire, acts of nature (e.g. hail, storms), etc., that are not normal "wear and tear," hereafter "damage":

RULES RELATING TO PAYMENT OF ASSOCIATION INSURANCE DEDUCTIBLES

1. Damage to Unit Less than Deductible. If damage occurs solely to a Unit and the amount of such damage is less than the Association's insurance deductible, the owner of the Unit shall be responsible for the cost for repair, replacement or restoration thereof. This also applies to those portions of the Unit to which the Association provides routine maintenance (e.g. roofs), but the Association's Board reserves the right to determine whether the Association will make repairs to such portions of the Unit.
2. Damage to Unit Equal to or Greater than Deductible. If damage occurs solely to a Unit and the amount of such damage is equal to or greater than the Association's insurance deductible, the Unit's Owner shall be solely responsible for full payment of the Association's insurance deductible.
3. Damage to Multiple Units Less than Deductible. If damage occurs to more than one Unit that is less than the Association's insurance deductible, the Owner(s) of each damaged Unit shall be responsible for full payment of the cost of the repair, replacement, or restoration of his or her Unit, unless the cause of the damage is attributable to one (or more) of the Units. In that case, the Unit(s) that caused the damage is responsible for the full cost of all repairs to all damaged Units (see sections below) .

4. Damage to Multiple Units Equal to or Greater than Deductible. For damage to one or more Units, the Owner(s) of each damaged Unit shall be responsible for full payment of the deductible amount in a pro rata share, unless the cause of the damage is attributable to one (or more) of the Units. In that case, the Unit(s) that caused the damage is responsible for the full deductible amount. If the Association elects to make the necessary repairs, the Board reserves the right to determine whether the Association will assess the deductible amount to the Units benefitted or if a cause of the damage is determined, to the Unit(s) causing such damage.

5. Damage to Common Elements Less than Deductible. If damage occurs to the Common Elements in an amount less than the Association's insurance deductible, the Association shall be responsible for the full 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, or if the damage can be attributed to one particular Unit Owner, the Unit Owner determined to be the cause of the damage will be responsible for the full costs of repair, replacement, or restoration.

6. Damage to Common Elements Equal to or Greater than Deductible. 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 the deductible amount to the Units benefitted by the Common Elements, if fewer than all Units are benefitted, or if the damage can be attributed to one particular Unit Owner, the Unit Owner determined to be the cause of the damage will be responsible for the full deductible amount.

7. Damage to Common Elements Caused by Owner Less Than Deductible. 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 misconduct 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. In the case of damage to Common Elements caused by water intrusion, the Owner determined to have caused the damage is strictly liable for the cost of repairs, regardless if the Owner (or occupant or lessee) is determined to have been negligent.

8. Damage to Multiple Units Caused by Owner Less than Deductible. If damage occurs to multiple Units in an amount less than the Association's insurance deductible, and the damage is determined to have been caused by the negligence or willful act(s) or omission(s) of an Owner or a member of his or her family, household pet, guest, or other occupant, visitor, or invitee of the Owner, that Owner shall be solely responsible for the full costs of repair, replacement, or restoration thereof. In the case of damage to multiple Units caused by water intrusion, the Owner determined to have caused the damage is strictly liable for the cost of repairs, regardless if the Owner (or occupant or lessee) is determined to have been negligent.

9. Damage to Common Elements Caused by Owner Equal to or Greater than Deductible. 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 misconduct 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 Association's deductible amount. In the case of damage to Common Elements caused by water intrusion, the Owner determined to have caused the damage is strictly liable for the full deductible amount, regardless if the Owner (or occupant or lessee) is determined to have been negligent.

10. Damage to Multiple Units Caused by Owner Equal to or Greater than Deductible. If damage occurs to multiple Units in an amount equal to or greater than the Association's insurance deductible, and the damage is caused by the negligence or willful misconduct 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 Association's deductible amount. In the case of damage to multiple Units caused by water intrusion, the Owner determined to have caused the damage is strictly liable for full deductible amount, regardless if the Owner (or occupant or lessee) is determined to have been negligent.

11. Owners' Obligations to Insure. 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. Each Owner is ultimately responsible for adequately insuring his or her own Unit, whether the Association insures or not.

12. Association's Discretion. The Board reserves the right to determine whether 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 or Unit determined to have caused the damage. Alternatively, the Board, in its discretion, may determine if the Owners of the Units benefitted or Unit determined to have caused the damage must pay the cost of repair or any damages or the Association's insurance deductible.

13. Willful or Negligent Acts. If partial or complete damage covered by the Association's insurance policy is caused by the negligence or willful act of a Unit Owner, the Owner's residents, family, guests, tenants or invitees, or from other known or unknown causes without any negligence being attributable, such Unit Owner shall be liable for the full amount of any deductible on the Association's insurance policy, even if the Association causes contractors to be paid in order to facilitate adjusting the claim. The Association may ask for payment in advance from the Owner or may ask for reimbursement and will sue if necessary to recover such funds.

14. Common Elements. If the cause of the insured loss is directly attributable to a failure in operation of a portion of the Common Elements, the Association shall pay the deductible.

RULES REGARDING 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. The Association shall adjust the claims and disburse insurance proceeds.
3. Owners are responsible for making claims against their own policies.
4. Owners are required to provide the Association with a Certificate of Insurance. Owners have a ninety (90) day grace period from the date of the recordation of this Resolution to provide the Association with a Certificate of Insurance.
5. Owners must provide their insurance information to other Unit Owners who have experienced water damage to their respective Units upon request.

GUIDELINES RELATING TO MAINTAINING UNITS TO HELP PREVENT WATER LEAKS AND DAMAGE AND INSURANCE CLAIMS

1. Each Owner should install steel-braided toilet tank fill hoses with steel connectors and ball valve shutoffs at the wall.
2. Each Owner should install steel-braided washer hoses to replace plain rubber hoses.
3. Each Owner should install copper, steel-braided, or nylon mesh tubing on ice maker refrigerators to replace plain plastic tubing.
4. Each Owner should 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.
5. Each Owner should install copper or steel-braided hoses with steel connectors on any and all dishwasher water connections.
6. Each Owner should install copper or steel-braided hoses with steel connectors on any and all water heater connections.
7. If an Owner leaves a Unit vacant for more than seven (7) days, the Owner should shut off the water off to the residence. If an Owner leaves a Unit vacant for more than two (2) weeks, the Owner should have a person perform weekly inspections of the to ensure that no water leaks or other damage has occurred.
8. Each Owner shall provide the Association with an emergency contact person with appropriate contact information, including telephone number.

9. Each Owner must cause the HVAC system serving the Unit to be inspected on an annual basis by a qualified technician.

COMPLIANCE WITH THIS RESOLUTION

1. 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.

2. In the event an Owner fails or refuses to maintain or make any necessary repairs to his Unit or any Limited Common Element which the Owner is obligated to maintain, the Association reserves the right to enter the Unit and make any such repairs or perform such maintenance. The Association shall provide written notice to the Owner of the Unit to perform such maintenance or repairs within fifteen (15) days from the date of the notice. If the work is not completed by the fifteen (15) day deadline, the Association may enter and take any necessary steps to properly maintain the Unit or Limited Common Elements. The cost of any such maintenance, repair, or replacement shall be assessed against the nonperforming Unit Owner consistent with Section 5.4 and Section 7.2.4 of the Declaration. The Association reserves the right to enter a Unit immediately under emergency circumstances.

A majority of the Board of Directors adopted the above Resolution on this 11th day of January, 202~~3~~

LA TIERRA CONDOMINIUM ASSOCIATION

By: Carol Rice

Its: President