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**EL TOVAR CONDOMINIUMS  
RESOLUTION OF THE BOARD CONCERNING  
WATER INTRUSION AND RELATED DAMAGE  
AND INSURANCE DEDUCTIBLES**

**AUTHORITY**

WHEREAS, the Association is governed by a Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions, and Restrictions for El Tovar Condominiums recorded on January 29, 1985 at Instrument No. 85-040356 Official Records of Maricopa County, Arizona, and all amendments thereto (the "Declaration");

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

WHEREAS, Sections 5 and 17 of the Declaration authorize the Board of Directors to adopt and amend reasonable Rules and Regulations to regulate the use of and occupancy of the Property and the Common Elements;

WHEREAS, Sections 9 and 9.2 of the Declaration provide that the Association is responsible to obtain and maintain insurance for the Common Elements and certain Improvements;

WHEREAS, Section 9.5 of the Declaration provides that Owners, at their sole expense, shall be responsible to maintain insurance covering their personal property and the interior of the condominium unit;

WHEREAS, pursuant to the Declaration, the Association is responsible for the maintenance, repair and replacement of the Common Elements. Section 12 of the Declaration authorizes the Association to seek reimbursement of such repair costs to the Common Elements if such damage is due to the willful or negligent act of an Owner or a member his family or guest, occupant or visitor.

WHEREAS, Sections 12 and 17 of the Declaration provides Owners, at their sole expense, shall be responsible for the care, repair and maintenance of the interior of the condominium unit (which includes, but is not limited to all improvements, alterations, or additions and all interior surfaces of the floors, ceilings, window frames, doors, door frames and trim) and those limited areas reserved for the use and enjoyment of his or her condominium unit such as:

Air conditioning, electrical, plumbing and heating systems and lines which exclusively serve such Unit, and the patio and balcony areas.

WHEREAS, pursuant to Sections 17 and 20 of the Declaration, if Owners fail to properly maintain their Units, the Association is authorized to enter the Units, make the necessary repairs and charge the common expenses incurred in doing so through to the owner;

WHEREAS, Section 21 (Roof Leaks and Repairs) of the Declaration provides that the Association is obligated to promptly repair all leaks or other damage to the roofs of any of the Buildings of which the Association has notice, in writing.

WHEREAS, Section 21 of the Declaration also provides that Owners are responsible for the costs of repairing leaks or damage if such damage is due to the willful or negligent act of an Owner or a member his family or guest, occupant or visitor. In addition, this section authorizes the Association to make necessary repairs and charge the common expenses incurred in doing so through to the owner pursuant to Section 12;

WHEREAS, the Board of Directors is extremely concerned about water damage to Units and Common Elements, and the potential ramifications of such damage to the members of the Association, as well as any members specifically affected due to the damage caused to Units and the Common Elements and the increase in insurance premiums that result from numerous water claims; and

NOW, THEREFORE, based on the power bestowed upon the Board of Directors and the responsibilities of the Owners in the Declaration, the Board of Directors hereby adopts the following resolution and makes the provisions below part of the Association's Rules and Regulations:

**RULES RELATING TO MAINTAINING UNITS  
AND REPORTING WATER LEAKS**

1. Any Owner, Lessee or Occupant that leaves their Unit unoccupied for more than seven (7) consecutive days shall turn off the water to all toilets and the clothes washer in the Unit. If an Owner leaves a Unit vacant for more than seven (7) days, the Owner shall shut off the water to the Unit. If the Owner is on a common water line and cannot shut off all of the water to the Unit, the Owner shall shut off all water valves inside of the Unit to shut off water to the Unit to the greatest extent possible. Failure of a Unit Owner to meet the obligations of this section shall be deemed willful or negligent for purposes of liability and responsibility for any resulting damage.

2. If a Unit is vacant for more than more than seven (7) days, the Owner shall have a person perform weekly inspections of the Unit to ensure that no water leaks or other damage has

occurred to the Unit. Failure to provide for inspection of the Unit shall be deemed willful or negligent for purposes of liability and responsibility for resulting damage.

3. Pursuant to the Declaration, the Board may establish rules and regulations to govern certain items such as doors, windows, etc. The Board hereby implements a duty for owners to inspect and maintain all windows and doors to ensure that they are free from and impermeable to any leak, water intrusion or flooding. Failure to ensure that the windows and doors of a Unit are free from and impermeable to any leak, water intrusion or flooding shall be deemed willful or negligent for purposes of liability and responsibility for resulting damage.

4. Each Owner shall provide the Association with an emergency contact person with appropriate contact information, including telephone number.

5. Every Unit Owner shall have an absolute duty to report any leak, water intrusion or flooding observed in their Unit, in the Common Areas that serve or adjoin their Unit or the limited Common Elements allocated to their Unit to the Association through its duly authorized managing agent immediately upon discovery. Failure to report an observed leak, water intrusion or flooding within 24 hours of discovery shall be deemed willful or negligent for purposes of liability and responsibility for resulting damage. The duty to report shall apply whether the Unit Owner became aware of the leak, water intrusion or flooding personally or by means of information provided by their tenants, invitees, licensees, guests or co-occupants of their Unit.

6. Owners may not pour grease down drains or sinks. If any objects are found to have caused a water/sewer back-up into the Units, the Association shall pass the common expenses for the repairs through to the owner(s) responsible.

7. The Association may not be responsible to repair/replace flooring or other finished surface resulting from a water/sewer intrusion into the Units.

8. In the event of water damage or a damage claim, each affected Owner must provide the name of the Owner's insurance company, agent name, address and telephone number to the Association within fifteen (15) days from the date that the Association requests this information.

9. Any duty of an Owner pursuant to these Rules shall not be excused by reason of a Unit being used and/or occupied by a tenant, guest, invitee, licensee or any individual or party other than the Unit Owner.

**RULES COVERING THE COSTS OF DAMAGE IF  
LESS THAN THE INSURANCE DEDUCTIBLE**

1. If damage occurs solely to one Unit and/or the Limited Common Elements allocated to a Unit that is less than the Association's insurance deductible the owner of the Unit shall be responsible for full payment of the cost for repair, replacement or restoration thereof unless the damage was caused by another Unit Owner's willful or negligent act.

2. If damage occurs to more than one Unit and/or the Limited Common Elements allocated to the Units but not the Common Elements that is less than the Association's insurance deductible, each respective Unit Owner shall be responsible for full payment of the cost of the repair, replacement or restoration thereof unless the damage was caused by another Unit Owner's willful or negligent act.

3. If damage occurs to one or more Units and/or the Limited Common Elements allocated to the Units and to the Common Elements that is less than the Association's insurance deductible, the costs of repair, replacement or restoration thereof shall be prorated based on the percentage of damage caused to each Unit and the damage caused to the Common Elements, and each respective Unit Owner shall be responsible for full payment of his or her pro rata share and the damage caused to the Common Elements, unless the damage was caused by another Unit Owner's willful or negligent act.

4. If damage occurs solely to the Common Elements that is less than the Association's insurance deductible, the Association shall be responsible for the costs of repair, replacement or restoration thereof unless the damage was caused by an Owner's willful or negligent act.

5. Notwithstanding the foregoing paragraph 4, if damage occurs solely to a Limited Common Element that benefits fewer than all of the Units that is less than the Association's insurance deductible, the owner of the Unit(s) to which such Limited Common Elements are allocated shall be responsible for full payment of the cost for repair, replacement or restoration thereof, unless the damage was caused by another Owner's willful or negligent act.

6. If a willful or negligent act of a Unit Owner (or the Owner's residents, tenants, guests or agents) causes damage, the Unit Owner shall be responsible for the full costs of repair, replacement or restoration thereof.

7. The Board of Directors shall determine the costs to be paid by each party if the amount of damage is less than the Association's insurance deductible. Any amount determined to be the payment obligation of an Owner shall be charged to the Owner and collectible in the same manner as a regular assessment.

8. If damage is caused to the Common Elements that is not covered by insurance, and if such damage was caused by the willful or negligent act of an Owner, or an Owner's lessees,

occupants or invitees, the Association shall charge the cost to repair such damage to the Owner, which is collectible in the same manner as a regular assessment.

9. Each Owner should be aware of the amount of the Association's insurance deductible so that the Owner carries proper insurance coverage to meet any gaps in insurance coverage.

**RULES RELATING TO PAYMENT  
OF INSURANCE DEDUCTIBLES**

1. If damage occurs to a Unit due to another owner's negligence or willful misconduct, the owner of the Unit where the damage originated will be responsible to pay the deductible. By way of example, if an owner on the 4<sup>th</sup> floor has a leak that causes damage to a Unit below on the 3<sup>rd</sup> floor, the 4<sup>th</sup> floor unit owner shall be responsible to pay the deductible.

2. If damage occurs to more than one Unit and the cause of the damage cannot be attributable to any one Unit or Owner, the deductible will be proportionately distributed among all Unit owners who have experienced the loss. By way of example, if a pipe bursts in the wall that serves four units on all four floors, and all units sustain damage, all unit owners shall be responsible to split the cost of the deductible evenly.

3. In the event that the cause of the insured loss is directly attributable to a failure in operation of a Common Element, and a Unit owner has not been willful or negligent in timely reporting the damage as set forth hereinbefore, the Association shall pay the deductible.

**RULES REGARDING INSURANCE  
CLAIM PROCEDURES**

1. In the event a Unit Owner or resident is insured for any loss to the condominium Unit or their personal property, the Association shall be entitled to require the Unit Owner or resident to claim any loss under such Owner or resident's insurance policy.

2. 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.

3. The Association shall disburse insurance proceeds pursuant to the requirements of the Declaration.

The Board of Directors adopted this Resolution at a duly called meeting on the 30th day of October, 2017.

DATED this 30th day of October, 2017.

**El Tovar Condominiums.**

By: Gregory Hammons

Its: President