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**CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC.  
BOARD RESOLUTION**

**Rules Covering the Costs of Damage Less than the Association's Insurance  
Deductible & Policy Regarding Water Leaks and Mold**

WHEREAS, Center Court Villas Homeowners Association, Inc., ("Association") is governed by the Declaration Submitting Property to Horizontal Property Regime Together With Covenants, Conditions and Restrictions For Center Court Villas, recorded at recording number 83-065429, 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 241 of Maps, Page 6 of the Official Records of the County Recorder of Maricopa County, Arizona;

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

WHEREAS, Section 7.12 of the Declaration provides, "Reasonable rules and regulations concerning the use of the Property and all portions thereof and imposing reasonable restrictions upon the Owners and use of the Apartment Units may be made and amended from time to time by the Board..."

WHEREAS, Section 10.1 of the Declaration provides:

In connection with Apartment Units, the Association shall maintain, repair and replace, at the Association's expense:

- (a) All areas of exclusive use appurtenant to the Apartment Unit, except patios and balconies and interiors of storage areas (other than structural defects).
- (b) All items within an Apartment Unit (except interior surfaces), which contribute to the support of the building, which shall include, but shall not be limited to the outside walls of the Apartment Unit, floor and ceiling slabs, load bearing columns,

load bearing walls, and all fixtures on the exterior boundary walls of an Apartment Unit serving the common Elements or other Apartment Units.

- (c) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of an Apartment Unit maintained by the Association, and all facilities contained with an Apartment Unit which service part of or parts of the Condominium Property other than the Apartment Unit within which such facilities are contained, except for each Apartment's heating and air conditioning units.
- (d) Notwithstanding the foregoing, the Association shall have the authority to require Owners to maintain, repair and replace all damages to windows and sliding glass doors except in the case of damage for which insurance proceeds are paid under policies purchased by the Association.

WHEREAS, Section 10.2 of the Declaration provides that the owners shall maintain, repair and replace, at the Owner's expense:

- (a) All portion of his Apartment Unit except the portions to be maintained, repaired and replaced by the Association.
- (b) The portions of an Apartment Unit including, but not limited to the following items: service equipment such as ~~dishwasher~~ Unofficial Document laundry, refrigerator, oven, stove, water heater, heating and air conditioning units, whether or not such items are built-in fixtures; interior fixtures such as electrical and plumbing fixtures; floor coverings except the floor slab, all interior surfaces including but not limited to the inside pain and other inside wall finishes.

WHEREAS, Section 10.3 of the Declaration provides:

In connection with the Common Elements, maintenance, repairs and replacement of the Common Elements shall be furnished by the Association as part of the Common Expenses, subject to the provisions of this Declaration, the Articles of Incorporation, the By-Laws and the rules and regulations of the Association.

WHEREAS, Section 15 of the Declaration provides,

Insurance shall be carried by the Association on the Condominium Property and shall be governed by the following provisions:

15.1 The Board shall purchase and maintain certain insurance upon the Condominium Property...described in paragraph 15.2 below...Without limiting

the generality of the foregoing, it shall be each Owner's responsibility to provide for himself Owner's liability insurance, theft, or other insurance which is not carried by the Association as the Unit Owner desires.

15.2(a) A multi-peril type policy covering the entire Condominium Property providing, as a minimum, fire and extended coverage...

15.2(b) A comprehensive policy of public liability insurance covering all of the Common Elements and public ways in the Condominium...

...

WHEREAS, the Board of Directors is extremely concerned about water damage to the 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. The Board is also concerned about the increase in insurance premiums that result from numerous water claims;

WHEREAS, replacement of storage hot water heaters; changing the hoses for toilet tanks, washers, water heaters, bathroom sinks, kitchen sinks, dishwashers, and refrigerators with ice makers to more durable hoses as described below is required for the welfare and safety of the members of the Association to help prevent future water damage;

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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:

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

1. If the damage that occurs solely to one Unit 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. Owners sustaining damage to their Units due to the actions of another Unit owner may pursue that owner for any damage resulting that owner's negligence or actions.
2. If the damage that occurs to more than one Unit but not the Common Elements 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 each respective Unit Owner shall be responsible for full payment of his or her pro rata share. Owners sustaining damage to their Units may pursue

another owner for any damage resulting from another owner's negligence or actions

3. If the damage that occurs to more than one Unit and to the Common Elements 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 Association shall be responsible for the damage caused to the Common Elements, unless the damage was caused by another Unit Owner's negligence or actions.

4. If the damage that occurs solely to the Common Elements 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 another Unit Owner's negligence or actions in which case the Association shall assess the related costs solely to the owner responsible for the damage to the Common Elements.

5. If the damage that occurs solely to a Common Element(s) or Limited Common Element(s) benefiting fewer than all of the Units is less than the Association's insurance deductible, the Association shall be responsible for the costs of repair, replacement or restoration thereof, <sup>and the</sup> ~~and the~~ costs shall be assessed exclusively against the Units benefited, unless the damage was caused by another Unit Owner's negligence or actions.

6. If the negligence or actions of a Unit Owner (or the Owner's residents, tenants or guests) causes the 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 a Unit Owner to repair the Common Elements or any Unit other than the Owner's Unit shall be charged to the Owner with a Special Assessment for the costs incurred. The Special Assessment is collectible in the same manner as Regular Assessments.

8. If damage is caused to the Common Elements that is not covered by insurance, and if such damage was caused by the negligence or actions of an Owner, or an Owner's residents, tenants, or guests, the Association shall charge the Owner with a Special Assessment for the cost to repair such damage, which is collectible in the same manner as Regular Assessments.

9. If damage is caused to one Unit by another Unit, the Owners of the Units involved shall be responsible for determining who is responsible for paying for the damage and paying for the costs thereof if less than the deductible. The Association does not intend to get involved in disputes between Owners regarding damage.

10. 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 MAINTAINING UNITS TO  
HELP PREVENT WATER LEAKS**

1. Any storage hot water heater shall be replaced by the owner at least every 10 years from the date of its installation. Proof of replacement shall be provided within 45 days from the date the association requests the information.

2. Each Owner shall install steel-braided toilet tank fill hoses with steel connectors and ball valve shutoffs at the wall. These will replace the fill hoses with plastic connectors at the toilet tank and screw-type shutoff valves. This provision is not applicable if the Owner has installed braided fill hoses with steel connectors and ball valve shutoffs.

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3. Each Owner shall install steel-braided washer hoses to replace plain rubber hoses provided at purchase. This provision is not applicable if the Owner has installed steel-braided hoses.

4. Each Owner shall install copper, steel-braided, or nylon mesh tubing on ice maker refrigerators to replace plain plastic tubing. This provision is not applicable if the Owner has already installed authorized tubing as described above.

5. Each Owner shall 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.

6. Each Owner shall install copper or steel-braided hoses with steel connectors on any and all dishwasher water connections.

7. Each Owner shall install copper or steel-braided hoses with steel connectors on any and all water heater connections.

8. If an Owner leaves a Unit vacant for more than fourteen (14) days, the Owner shall shut off the main water valve to the Unit. Furthermore, if an Owner leaves a

Unit vacant for more than four (4) week(s), the Owner shall have a person perform an inspection of the Unit every thirty (30) days to ensure that no water leaks or other damage has occurred to the Unit.

9. Pursuant to Section 10.4(d) of the Declaration, the Association has the right to inspect the Apartment Units to make certain that the Owners comply with the above requirements.

10. Each Owner must provide the name of the Owner's insurance company, agent name, address and telephone number to the Association within forty-five (45) days from the date that the Association requests this information.

11. Each Owner shall provide the Association with a contact person with appropriate contact information, including telephone number.

12. Failure to comply with these rules will subject the Unit Owner to a \$300 per month fine until requirements are met.

#### **ADDITIONAL OWNER OBLIGATIONS**

1. Any Owner, member of the Owner's family, Owner's resident(s), tenant(s), or guest(s) is prohibited from throwing or flushing any foreign object (i.e., any item that is not intended to enter into the sewer/plumbing system) into the sewer/plumbing system, including, but not limited to, female hygiene products, and paper products, other than toilet paper.

2. Each Owner shall be responsible for the repair or service upon a sewer/plumbing line situated within a Unit at his or her own expense, whether or not such need for repair or service is caused by any foreign object or the like.

3. In the event that a foreign object, as discussed in paragraph 1 of this section, has caused the need for repair or service upon a sewer/plumbing line that serves the Common Area or forms part of any system serving more than one Unit, the cost of such repair or service shall be charged and assessed against such Owner and such assessment shall be collected in the same manner as Regular Assessments.

#### **POLICY RELATING TO MOLD AND MOLD REMEDIATION**

1. As mold is not covered under the Association's insurance policy, the Owner of the Unit is responsible for all remediation of mold that occurs within a Unit. The Owner is also responsible for remediating any mold to the Common Elements or any Units if the damage is caused to either the Common Elements or Units by the act or neglect of an Owner or his invitee, or guest or other authorized occupant or

visitor of such Owner, or due to the Owner's failure to comply with any of the above provisions. If the Owner is responsible for remediating any mold as set forth in this paragraph, the Owner must provide the Association with certification that the mold has been properly remediated. Furthermore, the Owner is responsible for remediating any mold on any items contained within the Unit, including, but not limited to, costs of cleaning contaminated furniture, clothing or floor coverings. Additionally, the Owner is responsible for any other costs that may be associated with mold within the Unit, including, but not limited to, the cost of alternate lodging or storage until the mold is remediated.

2. In the event that an Owner refuses to remediate the mold in the Common Elements or any Units which was caused by the act or neglect of an Owner or his invitee, or guest or other authorized occupant or visitor of such Owner, or due to the Owner's failure to comply with any of the above provisions, the Board, an authorized representative of the Board, or of the manager or managing agent, or authorized contractor of the Association shall be entitled to reasonable access to each of the Units as may be required in connection with the mold remediation and shall have the authority to remediate such mold and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such Owner and such assessment shall be collected in the same manner as the regular Assessments.

3. In the event that the Board, <sup>the manager or managing agent</sup><sub>Unofficial Document</sub>, receives information of possible mold infestation, the Board has the right, but not the obligation to test said questioned Common Elements or Unit(s). If mold is discovered and is the result of, the act or neglect of an Owner or his invitee, or guest or other authorized occupant or visitor of such Owner, or due to the Owner's failure to comply with any of the above provisions, all expenses to the Association, including but not limited to, the cost of the testing shall be charged and assessed against such Owner and such assessment shall be collected in the same manner as regular Assessments.

The Board of Directors adopted the above Resolution on this 18<sup>th</sup> day of November, 2008 at a duly called meeting of the directors.

*Signatures on the next page*

DATED this 20 day of FEB, 2008.

CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC.

By: [Signature]

Its: President

STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA)



SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 20th day of February, 2008, by Steve Fleury, the President of Center Court Villas Homeowners Association, Inc., an Arizona nonprofit corporation, for and on behalf of the corporation.

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[Signature]  
Notary Public