

**LAS TORRES  
HOMEOWNERS ASSOCIATION**

**RESOLUTION  
for  
RULES COVERING**

**PAYMENT OF THE INSURANCE  
DEDUCTIBLE**

**AND**

**COSTS OF DAMAGE NOT  
COVERED BY INSURANCE**

**Dated: February 20, 2009**

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Ekmark & Ekmark LLC  
6720 N. Scottsdale Rd, Suite 261  
Scottsdale, AZ 85253

Electronic Recording.

**LAS TORRES HOMEOWNERS ASSOCIATION**

**Rules Covering Payment of the Insurance Deductible and  
Costs of Damage Not Covered By Insurance**

WHEREAS, Las Torres Homeowners Association (the "Association") is governed by the Amended and Restated Declaration of Horizontal Property Regime, and of Covenants, Conditions and Restrictions for Canyon Ridge Homes (a/k/a/ Las Torres), recorded on June 5, 2003, at recording number 2003-0729521, official records of Maricopa County, Arizona, and all amendments thereto (the "Declaration");

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

WHEREAS, Article V, Section 3 of the Declaration provides, "By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations (the "Rules"). The Rules shall govern the use and enjoyment of the Property by any Owner or those on the Property under his auspices . . .";

WHEREAS, Article IX, Section 1(c) of the Declaration provides, "The Board shall have the sole and final authority to establish rules and regulations governing who is responsible for paying a deductible if a loss occurs. The Board may choose to split the cost of the deductible between two or more owners at its discretion. If an Owner is required to pay the amount of the deductible to the Association to perform any repair or reconstruction work, said amount shall be paid within fifteen (15) days of its due date, as established by the Association. Any unpaid deductible shall be collectible in the same manner as a delinquent assessment.";

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;

WHEREAS, changing the hoses for the toilet tanks, washers, 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;

NOW, THEREFORE, based on the power authorized to the Board and the responsibilities of the Owners, the Board hereby adopts the following resolution and makes the provisions below part of the Association's rules and regulations:

**A. POLICIES RELATING TO PAYMENT OF INSURANCE DEDUCTIBLE**

1. Except as set forth in paragraph 5, if damage occurs solely to one Unit, the Owner of the Unit shall be responsible for payment of the insurance deductible in full. In the event that the cost for such repair, replacement, or restoration to such Unit is less than the insurance deductible, the Owner shall be responsible for full payment of the cost for repair, replacement, or restoration thereof, unless the damage was caused by another Owner's negligence or actions.
2. Except as set forth in paragraph 5, if damage occurs to more than one Unit but not to the Common Elements, the deductible shall be prorated based on the percentage of damage caused to each Unit. In the event that the costs for repair, replacement, or restoration to such Units are less than the insurance deductible, the costs shall be prorated based on the percentage of damage caused to each Unit and each respective Owner shall be responsible for full payment of his or her pro rata share, unless the damage was caused by another Owner's negligence or actions.
3. Except as set forth in paragraph 5, if damage occurs to one or more Units and to the Common Elements, the deductible shall be prorated based on the percentage of damage caused to each Unit and the damage caused to the Common Elements. In the event that the costs for repair, replacement, or restoration to such Units are less than the insurance deductible, the costs shall be prorated based on the percentage of damage caused to each Unit and the damage caused to the Common Elements.
4. Except as set forth in paragraph 5, if damage occurs solely to the Common Elements, the Association shall pay the deductible, unless the damage was caused by an Owner's negligence or actions (or the negligence or actions of the Owner's residents, tenants, guests or pets).
5. If the negligence or actions of an Owner (or the Owner's residents, tenants, guests or pets) causes the damage, the Owner shall be responsible for the full amount of the deductible. In the event that the costs of repair, replacement, or restoration for such damage to a Unit or the Common Elements is less than the insurance deductible, the Owner shall be responsible for full payment of the costs thereof.
6. The Board shall determine the amount of deductible, or cost incurred if the amount is less than the deductible, to be paid by each party. If an Owner is required to pay a deductible, or cost incurred if the amount is less than the deductible, to repair any Unit or the Common Elements other than the Owner's Unit, the Association shall charge the Owner for the cost of the deductible, or cost incurred if the amount is less than the deductible, as

a special assessment. Any such cost shall be assessed exclusively against the Owner's Unit, and shall be collectible in the same manner as regular assessments.

7. 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, guests, or pets the Association shall charge the Owner for the cost to repair such damage, which cost shall be paid by the Owner, upon demand, to the Association. Any such cost shall be assessed exclusively against the Owner's Unit as a special assessment, and shall be collectible in the same manner as regular assessments.
8. 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 any deductible, or costs thereof if less than the deductible. The Association does not intend to get involved in disputes between Owners regarding damage.
9. Each Owner needs to 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. Each Owner should check with his insurance carrier to ensure that his policy will cover the cost of the Association's insurance deductible.

**B. RULES RELATING TO MAINTAINING UNITS TO HELP PREVENT WATER LEAKS**

1. 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.
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 shut off valves. This provision is not applicable if the Owner has installed braided fill hoses with steel connectors.
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. If an Owner lease a Unit vacant for more than three (3) 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. Furthermore, if an Owner leaves a Unit vacant for more than one (1) week, 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.
8. Each Owner shall provide the Association with a contact person with appropriate contact information, including telephone number.

### **C. 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 exclusively serving or uniquely related to his/her Unit at his/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 any 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 constitute a lien against the Owner's Unit.

### **D. 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 Areas or any Units if the damage is caused to either the Common Areas 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 Areas 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 constitute a lien against the defaulting Owner's Unit.
  
3. In the event that the Board, the manager or managing agent, receives information of possible mold infestation, the Board has the right but not the obligation to test said questioned Common Area 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 constitute a lien against the Owner's Unit.

The Board of Directors adopted the above resolution on February 16, 2009.

DATED this 20<sup>th</sup> day of February, 2009.

LAS TORRES HOMEOWNERS ASSOCIATION

By: [Signature]  
 Its: Secretary

STATE OF ARIZONA        )  
   ) ss.  
 County of Maricopa        )

On this 20 day of February, 2009 before me the undersigned Notary Public, personally appeared Donald Christensen who acknowledged to me that he/she is the President of the Association and that he/she executed the foregoing resolution on behalf of the Association for the purposes expressed therein.

[Signature]  
 Notary Public

My Commission expires:  
July 17, 2011

