

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS
ASSOCIATION, INC.**

At a regular meeting of the Board of Directors of the Arbors at Mountain Shadows Condominium Owners Association, Inc. ("Association") held January 20, 2010, the following resolution was adopted by all the directors present

WHEREAS, the Association continues to experience a high number of incidents of water pipes freezing and breaking, causing damage to condominium units; and

WHEREAS, the apparent and probable cause for the pipes freezing is that the residents are turning down their heat or shutting it off, either in an attempt to save money or because they are away from the unit; and

WHEREAS, each time a pipe breaks, it results in a claim against the Association's insurance, with the deductible paid by the association and the possibility of increased premiums due to excessive claims; and

WHEREAS, the Association has the right to assess the deductible against the owner of a condominium unit where the owner's or resident's negligence was the cause of the damage; and

WHEREAS, the Association does not have access to condominium units to determine if residents are keeping the heat in the unit at a level that will protect pipes from freezing; and


WHEREAS, without access to the condominium unit, the Association cannot determine if the resident was negligent.

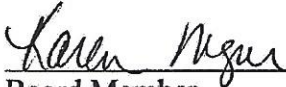
NOW, THEREFORE, the Board resolves as follows:


1. The Board resolves that there is a presumption that if a water pipe freezes in a condominium unit it was the result of the resident not keeping the heat in the unit at a level that would prevent pipes from freezing.
2. The Board further resolves that the presumption is rebuttable but the burden of rebutting the presumption is on the owner of the condominium unit in which the pipes froze.
3. The Board further resolves that unless the presumption is rebutted by clear and convincing evidence, the resident will be deemed to have been negligent and the cost for the deductible will be assessed against the owner of the unit. The determination of whether the presumption has been rebutted will be made in the sole discretion of the Board. Further, the insurance company is subrogated on the Association's claim of negligence for any amounts it may have paid out in repairs.

4. The Board further resolves that the Association's Rules and Regulations be amended to incorporate the provisions of this resolution and to be effective five days after mailing or delivery of the amended Rules and Regulations to Owners.

Arbors at Mountain Shadows Condominium Owners Association, Inc.

 1-20-10
Board Member

 1-20-10
Board Member

 1-20-10
Board Member

Board Member