

**RESOLUTION
OF THE
HILLSBORO CONDOMINIUM OWNERS ASSOCIATION, INC.
REGARDING INSPECTION OF HOT WATER HEATERS**

SUBJECT: Adoption of a policy regarding the inspection of hot water heaters.

PURPOSE: To adopt a policy regarding the inspection of hot water heaters.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

January 28, 2013

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

WHEREAS, the Association has an obligation to protect the property within the community and particularly the Common Elements; and

WHEREAS, each Owner is responsible for the maintenance of the hot water heater which exclusively serves the Owner's Unit; and

WHEREAS, leading or failure of a hot water heater can cause significant damage to Units and Common Elements; and

WHEREAS, even if insurance coverage is available, multiple claims can affect the cost and availability of insurance; and

WHEREAS, in an effort to minimize possible damage and insurance claims, the Board desires to adopt a policy requiring that each Owner inspect his or her hot water heater to aid in the prevention of unnecessary damage to Units and Common Elements and aid in reducing the number of insurance claims;

NOW, THEREFORE, BE IT RESOLVED:

1. Each Owner must periodically inspect the hot water heater which exclusively serves the Owner's Unit, at least once every year (beginning with the effective date above). Upon request of the Board of Directors an Owner shall provide evidence of such inspection, which may include receipts, photos or physical inspection by the Board of Directors or its representative.

2. In the event an Owner fails to make such inspections on at least an annual basis and a damage event occurs as a result of the leaking or failure of the Owner's hot water heater, it shall be considered negligence on the part of the owner and the following events may occur:

- a) The Owner may be subject to a fine pursuant to the Association's fine policy for violation of this policy; and/or
- b) The Owner will be determined to have committed negligence and therefore will be liable for all damages pursuant to the Declaration and/or Colorado law;

3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

5. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Hillsboro Condominium Owners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 28, 2013 and in witness thereof, the undersigned has subscribed his name.

**HILLSBORO CONDOMINIUM OWNERS
ASSOCIATION, INC.**

a Colorado non-profit corporation,

By: Marilyn J. Baldwin
President