

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ASSOCIATION OF APARTMENT OWNERS OF KIHEI SHORES (“Association”)
RE: OWNER REQUIREMENT TO MAINTAIN HO6 INSURANCE POLICY ON
CONDOMINIUM UNIT INTERIOR FOR CASUALTY AND LIABILITY; DEDUCTIBILITY
PARAMETERS AND LIMITS**

November 12, 2012

WHEREAS, HAWAII REVISED STATUTE (“HRS”) 514B-143(g) provides that the Board of Directors, with the vote or written consent of a majority of the unit owners, may require unit owners to obtain reasonable types and levels of insurance, such as an “HO6” policy as it is known in the insurance industry, insuring against: **(a) fire and casualty losses**: (i) to personal property located within such owner’s unit or restricted common area (element), and (ii) to any improvements located within such owner’s unit – including, but not limited to, decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings, in such amount as each owner deems sufficient to cover such damage, destruction, other loss and replacements of such improvements and personal property, but not less than such amount as the Board may deem an appropriate minimum from time to time; and **(b) public liability insurance** in such amounts such unit owner deems appropriate to cover such owner’s individual liability for damage to person or property occurring inside such owner’s unit or elsewhere upon the Kihei Shores Property, but not less than such amount as the Board may deem an appropriate minimum amount for liability, from time to time.

WHEREAS, HRS 514B-143(g) further provides that if a unit owner does not purchase or produce evidence of insurance requested by the Board, the Board **may**, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the unit owner. In no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the board not to purchase the insurance for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

WHEREAS, pursuant to HRS 514B-143(g) the Board of Directors of the Association solicited the vote of the members of the Association pursuant to approve or reject the requirement of owners to obtain reasonable types and levels of insurance, such as an “HO6” policy; the result of such solicitation being **51.61% majority approval** as announced at that certain Board Meeting conducted on September 26, 2012; such majority thereafter achieving **61.75%** majority approval via votes received after such Board Meeting.

NOW, THEREFORE, IT IS:

1. **RESOLVED** that each unit owner is required to obtain insurance covering such owner’s unit (apartment) against:

(a) **fire and casualty losses**: (i) to personal property located within such owner's unit or restricted common area (element), and (ii) to any improvements located within such owner's unit – including, but not limited to, decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings, in such amount as each owner deems sufficient to cover such damage, destruction, other loss and replacements of such improvements and personal property, but not less than such amount as the Board may from time to time deem an appropriate minimum; and

(b) **public liability insurance** in such amounts such unit owner deems appropriate to cover such owner's individual liability for damage to person or property occurring inside such owner's unit or elsewhere upon the Kihei Shores Property, but not less than such amount as the Board may from time to time deem an appropriate minimum amount for liability.

2. **RESOLVED** further that the Board hereby advises each owner that as of the date of this Resolution, Association insurance covering the Common Areas and such other areas of Kihei Shores pursuant to such insurance policies, carry the following deductible amounts, which each owner's insurance policy shall be written to cover the difference thereof, in the event that a loss occurs which may relate to the Association's insurance coverage:

- a. **\$10,000.00 deductible per insurable water claim; and**

- b. **\$5,000.00 deductible per insurable non-water claim**

In the event an owner fails to obtain individual insurance coverage for the above Association insurance deductible amounts, such owner shall be personally liable and shall be charged for up to such deductible amounts.

3. **RESOLVED** that if a unit owner does not purchase or produce evidence of insurance requested by the Board, the Board **may**, but shall not be obligated to, in good faith, purchase such individual insurance coverage required by this Resolution and charge the reasonable premium cost back to the unit owner. In no event shall the Association or Board be liable to any person either with regard to the failure of a unit owner to purchase individual insurance or a decision by the board not to purchase the insurance for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

THIS RESOLUTION was adopted by the Board of Directors at a meeting duly called and held at KIHEI SHORES CONDOMINIUMS on this **12TH day of NOVEMBER 2012**, at which a quorum was present and voted and shall be effective as of this date.

IN WITNESS WHEREOF, the undersigned has hereunto affixed the hand of the Association this **12TH day of NOVEMBER 2012**.

ASSOCIATION OF APARTMENT OWNERS OF KIHEI SHORES, INC
a Hawai'i non-profit corporation

By:


Sandra L. Skillcorn
President

CERTIFICATE

The undersigned hereby certifies that he is the Secretary of the **ASSOCIATION OF APARTMENT OWNERS OF KIHEI SHORES, INC.**, a Hawai'i non-profit corporation; that the foregoing is true and correct copy of a resolution adopted at a meeting of the Board of Directors of said corporation held on this **12TH day of NOVEMBER 2012**, at which meeting a quorum was at all times present and acting; that the passage of said resolution was in all respects legal; and that said resolution is in full force and effect.

Dated this 12TH day of NOVEMBER 2012.

ASSOCIATION OF APARTMENT OWNERS OF KIHEI SHORES, INC
a Hawai'i non-profit corporation

By:


Gregory Peter Jay
Secretary