

ASSOCIATION OF APARTMENT OWNERS OF KIHEI SHORES

POLICY REQUIRING MEMBERS OF THE ASSOCIATION TO OBTAIN THEIR OWN INSURANCE

BACKGROUND:

The Association of Apartment Owners of Kihei Shores ("Association") was established pursuant to Hawai'i Revised Statutes ("HRS") Chapter 514B, and consistent with HRS § 514B-143(g) provides that the Board of Directors ("Board") may require owners to obtain their own insurance for the AOA property deductible along with all improvements in the Apartment.

This Policy to require insurance is important to provide coverage for personal property, apartment improvements, betterments, additions and alterations, additional living expenses, and personal liability of each individual owner. Without coverage for an owner's apartment, an apartment owner who has fire, water damage or any other insured peril may find that the apartment will be rebuilt to its original condition, without any improvements or upgrades, less the AOA Deductible

Pursuant to HRS § 514B-143(g), the Association obtained with the written consent of a majority of the apartment owners on or before September 26, 2012 to enable the Board to adopt a policy to require apartment owners to obtain reasonable types and levels of insurance.

NOW, THEREFORE, BE IT RESOLVED that the Board does hereby adopt the following policy which applies to all Owners:

1. Apartment Owners are required to obtain insurance for their apartment with minimum limits of the AOA property deductible (currently \$25,000), coverage on your unit improvements; a minimum of \$20,000 for loss assessment, and a minimum limit of \$300,000 for liability coverage and personal contents coverage and loss of use. This coverage is under an individual Condo Insurance also known as HO-6 coverage.
2. If the apartment Owner does not purchase or produce evidence of insurance requested by the Board, the Directors may, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the apartment Owner as a special assessment with an administrative fee not to exceed \$50.00.
3. In no event is the Association or Board liable to any person either with regard to the failure of an apartment 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.

IN WITNESS WHEREOF, the Board of Directors on behalf of the Association of Apartment Owners of Kihei Shores has adopted and executed this Policy at a Board meeting on the 11th day of MARCH in the year 2024.

**ASSOCIATION OF APARTMENT OWNERS OF
KIHEI SHORES**

Augusto J. DIONIZIO
Printed Name

Augusto J. Dionizio
Signature
Its: President

Brad W. Peterson
Printed Name

[Handwritten Signature]
Signature
Its: Secretary