

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ASSOCIATION OF APARTMENT OWNERS OF WAILEA
FAIRWAY VILLAS**

**Resolution On Owner Insurance Deductible Increase to
\$25,000**

WHEREAS, HRS §514B-143(g) provides that if at least a majority of the Unit Owners give their vote or written consent, the Board may require Owners to obtain their own insurance; and

WHEREAS, the Unit Owners considered the following proposal (the "proposal"):

Resolved that the Board is authorized pursuant to Hawaii Revised Statutes Section 514B-143(g), to require every apartment Owner to obtain and maintain their own insurance policy on their units (HO6 or similar).

WHEREAS, a majority of the Unit Owners voted in favor of the proposal.

WHEREAS, the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas, pursuant to HRS §514B-143(g), is authorized to require each Unit Owner to obtain insurance, in the form of a "HO-6" policy or its equivalent, for the member's own apartment.

WHEREAS, the Board of Directors has determined that it is in the best interests of the Association and its members to require each owner to maintain their own insurance policy on their units.

NOW, THEREFORE, BE IT RESOLVED THAT each Unit Owner shall obtain and maintain an HO-6 insurance policy or its equivalent with the following minimum provisions or such other provisions as may be adopted by the Board of Directors:

1. Liability Insurance of at least \$300,000.00;
2. Dwelling coverage equal to the Association's property insurance deductible (excluding the hurricane deductible) currently \$10,000.00 be increased to \$25,000 plus the value of any improvements to the unit (as compared to the original as built conditions);
3. Personal Property **Coverage**; and
4. **Loss assessment coverage** to the extent reasonably available equal to the **Association's property** insurance deductible (excluding the hurricane deductible) currently \$10,000.00 be increased to \$25,000 effective May 1, 2018.
5. This resolution formalizes the enforcement of the attached letter sent to all ownership on April 18, 2018 from Destination Maui Inc, the AOA managing agent.

AND BE IT FURTHER RESOLVED THAT (a) each current Unit Owner shall provide to the Site Manager a copy of the Declaration page of said insurance policy or a Certificate of Insurance by October 1, 2018, (b) each person thereafter purchasing a unit shall provide the same prior to taking possession of the unit, and (c) each Unit Owner shall thereafter provide copies of

the Declaration page or Certificate upon each renewal of the policy or upon obtaining replacement insurance so that the Site Manager has evidence of compliance at all times.

AND BE IT FURTHER RESOLVED THAT the Board may purchase the insurance for any owner that does not timely provide the Association with proof of insurance and charge the reasonable premium cost back to the Unit Owner.

AND BE IT FURTHER RESOLVED THAT fines in the amount established by the House Rules shall be imposed on any Unit Owner who fails to comply with any of the foregoing requirements.

AND BE IT FURTHER RESOLVED THAT each Unit Owner be notified of the foregoing requirements.

I, Renee Stigers, Secretary of the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas, hereby certify that the foregoing is a true copy of the Resolution duly adopted at a meeting of the Board of Directors, duly held on the 12th day of February, 2021, and duly entered in the book of minutes of the Association, and that this Resolution is in full force and effect.

DATED: Wailea, Hawaii, February 12, 2021.

 2/12/2021
Secretary
ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS



DESTINATION MAUI INC.
Homeowner Association Management

April 18, 2018

Sent via email and mail

Owners
Association of Apartment Owners of Wailea Fairway Villas
Wailea, HI 96753

Subject: Association Insurance Deductible Increase

Aloha Owners:

When renewing the Association's insurance policies this year, we worked very closely with Atlas Insurance to understand the policies and to ensure the Association's coverage met the guidelines of the Hawaii Revised Statutes, Chapter 514B. We were advised that due to a large number of claims by unit Owners last year, the Board of Directors needed to be proactive in mitigating claims or insurance premiums would be on the rise along with the increase in the deductible for the building property policy.

This letter is to advise you that the building property deductible has been \$10,000 but will be increased to **\$25,000 effective May 1, 2018**. Therefore, all Owners should ensure that their individual insurance policies for their unit carries the minimum required coverage for dwelling of \$25,000, plus the cost of the unit's improvements. If a peril originates from a unit and the loss is covered under the master insurance policy of the Association, the unit Owner will be responsible for the \$25,000 deductible for repairs. If the property loss is under the \$25,000 deductible and the Association's master policy is not activated, again, the unit Owner(s) will be responsible for the cost of the repairs made to their units.

In closing, please ensure that you communicate this increased deductible for the dwelling, plus any improvements you have made to your unit, to your insurance agent.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent

1st Stephanie Sisneros

Stephanie Sisneros, R(S), CMCA, AMS
Vice President of Operations

c: Site Manager