

November 29, 2024



Owners  
Wailea Fairway Villas AOA  
Kihei, Hawaii 96753

**SUBJECT: HIGH-RISK COMPONENT (HRC) POLICY**

Dear Owners,

Wailea Fairway Villas is now over twenty-five years old. Although many of our units have been renovated throughout the years, these improvements do not always include updates to critical plumbing and electrical components. The potential failure of these components can result in damage to your units, as well as damage to your neighbors units and common elements within the building.

Hawaii Revised Statutes that govern condominium management allow the Association's Board of Directors to determine which components within our units are likely to cause damage to the buildings should they fail. These components are then classified as high risk components (HRC). Many insurers publish suggestions on which components likely fall within this category. The Statutes further allows the Board to develop policies related to inspection, repair, replacement - if necessary, and to establish standards for these components.

The Board believes that the establishment of a policy governing high risk components is important. The attached policy was approved at the November 5<sup>th</sup> Board meeting. We view this policy as a partnership with owners. We are planning to periodically ask owners to inspect their components and complete a simple form to be submitted to our Site Manager. There is also an option that would allow our employees or other designees to inspect units with proper notice and in collaboration with owners. They will have the ability to check items owners cannot. We have plans for our staff to have some specialized tools that would allow them to check for moisture behind walls and beneath floors, thermal detectors to check for possible issues with electrical components, and industrial endoscopes to check for leaks behind large appliances like refrigerators without the need to move them.

The goal for this initiative is for all of us to work together to minimize the risk of damage to our units and the buildings they are part of, by proactively focusing on regular inspection, repair and replacement of high risk components. In so doing, we will help avoid damage to our properties and share the benefits this process will have on our property insurance costs over time.

Our Site Manager, Mike Heller, is developing an implementation plan for this policy which will be communicated to owners when completed.

Sincerely,  
Wailea Fairway Villas Board of Directors

**ASSOCIATION OF APARTMENT OWNERS OF  
WAILEA FAIRWAY VILLAS**

**HIGH-RISK COMPONENTS POLICY**

Hawai‘i Revised Statutes §514B-138 provides that the Board of Directors may determine that certain portions of the apartments, or certain objects or appliances within the apartments, pose a particular risk of damage to other apartments or the common elements if they are not properly inspected, maintained, repaired or replaced by owners, and are thus designated as “high-risk components.”

The Board of Directors for the Association of Apartment Owners of Wailea Fairway Villas (the “Association”) adopts the following High-Risk Components Policy (“Policy”):

1. The following portions of the apartments constitute high-risk components:
  - a. Faucets, drain pipes, supply lines, water lines, shut off valves within the unit
  - b. Toilets, toilet seals, supply lines, shut off valves, and flappers
  - c. Shower fixtures, valves, tile, and waterproofing
  - d. Refrigerator ice maker supply lines
  - e. Dishwashers supply and drainage lines
  - f. Washing machines supply and drainage lines
  - g. Water heaters
  - h. Water heater leak detector alarms
  - i. Air conditioners interior condensate lines (where applicable)
  - j. Fire smoke detectors
2. Owners will be required to inspect high risk components and report findings to the Site Manager at a specified time. Owners shall maintain the high-risk components at their sole expense.
3. At periodic intervals as designated by the Board, the Association or representatives or inspectors as designated by the Association, may inspect the high-risk components of a sampling of units after at least 48 hours ’notice to the owner, except in the case of an emergency for which no prior notice shall be required.
4. The Board may require owners at their cost to replace or repair the high-risk components and provide proof thereof to the Board pursuant to reasonable standards and specifications that may be established by the Board, including additional components or installations specified by the Board, regardless of whether or not the component is deteriorated or defective. The standards and specifications may require certain contractors with specific licensing, training or certification to perform the replacement or repair.
5. The imposition of requirements by the Board for high-risk components shall not relieve apartment owners of obligations regarding high-risk components as set forth in the governing

documents of the Association, including, without limitation, the obligation to maintain, repair, and replace the components.

6. If an apartment owner fails to follow requirements imposed by the Board pursuant to this Policy, the Association, after reasonable notice, may subject owner to fines outlined in House Rules - 16.0 Violations; Fines & Other Remedies; Appeals.

**ASSOCIATION OF APARTMENT OWNERS OF  
WAILEA FAIRWAY VILLAS**

Signature:



Printed Name: Joe O'Donnell

Its: Secretary