

**BOARD OF DIRECTORS OF THE
ASSOCIATION OF APARTMENT OWNERS
OF THE *Royal Kahili***

RESOLUTION ON HIGH RISK COMPONENTS

WHEREAS, Chapter 514B, Hawaii Revised Statutes, effective July 1, 2006, provides that the Board of Directors, after notice to all unit owners and an opportunity for owner comment, may determine that certain portions of the units, or certain objects or appliances within the units such as washing machine hoses and water heaters, pose a particular risk of damage to other units or the common elements if they are not properly inspected, maintained, repaired, or replaced by owners ("high-risk components.");

WHEREAS, once the Board has designated items as high-risk components, the Board can require inspection at specified intervals, replacement or repair at specified intervals, replacement or repair to specifications of the Board:

WHEREAS, pursuant to the By-Laws of the Association, the Board of Directors has all powers necessary for the administration of the affairs of the Association; and

WHEREAS, the Board of Directors believes that it is in the best interests of the Association to identify high risk components and to implement certain requirements with regard to those high risk components in accordance with Chapter 514B;

NOW THEREFORE, it is hereby resolved that, the following portions of units or objects or appliances within units shall be designated as high-risk components:

1. All faucets, toilets, tub & shower head systems.
2. All waste outlet toilet seals within the apartment units.
3. All drain lines that serve only the apartment units.
4. All dryer vent systems.
5. All air conditioning systems.
6. All electrical outlets within the apartment and lanai areas.
7. All electrical panels and other electrical systems servicing the apartments.
8. All appliance hoses and/or water supply lines within the apartment units.
9. All water shutoff valves within the apartment units.

10. All tank type water heaters.
11. All tank less water heaters.
12. All windows, frames, screens, and lanai sliding door systems.
13. Other items as determined from time- to-time.

IT IS FURTHER RESOLVED *that, the Board will require:*

(1) Inspection

(a) At regular intervals:

(b) Upon replacement or repair by the Association or its designee.

(2) Replacement or repair at owner's expense at specified intervals whether or not the component is deteriorated or defective; or

(3) Replacement or repair at the owner's expense of any component that is deteriorated or defective:

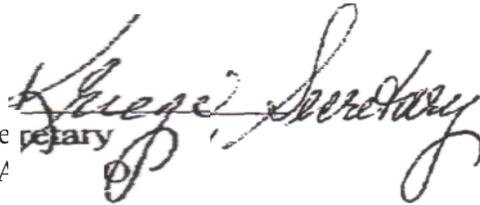
(a) Meeting standards or specifications established by the Board;

(b) Including additional components or installations specified by the Board;

(c) Using contractors with specific licensing, training or certification required by the Board.

The undersigned being the Secretary of the Association of Apartment Owners of the Royal Kahili certifies that the above resolution was adopted by said Board of Directors at its duly called meeting held on 12 January 2011 in Kailua-Kona, Hawaii.

Norma Kriege, Secretary
Royal Kahili/AOA

A handwritten signature in cursive script, appearing to read "Norma Kriege, Secretary". The signature is written in black ink and is positioned to the right of the typed name.