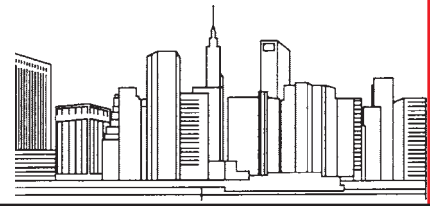
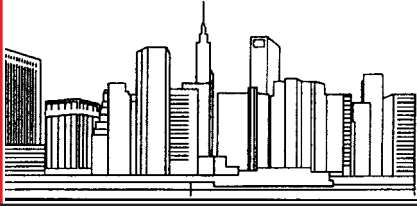


HAWAII CONDOMINIUM BULLETIN



VOLUME 14, NO. 3

FEBRUARY 2008

Funded through the Condominium Education Fund

Condominium Review Committee Report

The Committee, for fiscal year 2007, under the leadership of Chair William Stanley Chee and Vice Chair Mark Suiso continued with the implementation challenges of the new recodified condominium law, Chapter 514B, Hawaii Revised Statutes (HRS), which took effect at the start of fiscal year 2007. Concurrently in this same period, the Committee continued with the administration of the original law, Chapter 514A, HRS, as well as other important planned program of work.

The Condominium Review Committee (CRC) is a Commission standing committee that holds monthly public meetings in which condominium issues are presented, discussed, examined, and considered. This is a working committee that handles “nuts and bolts” issues. Developers, apartment owners, board of directors, condominium managing agents, attorneys, educators, researchers, government officials, and others with condominium concerns participate at the meetings. The responsibilities of the CRC include: registration of condominium projects by developers; condominium association (association) and condominium hotel operator (CHO) registrations; and governance, education and research programs, inclusive of the programs funded under the Condominium Education Trust Fund (CETF).

The law requires the Commission to submit to the legislature annually: (1) a summary of the programs funded during the prior fiscal year with funds from the CETF, (2) the amount of money in the fund, and (3) a copy of the budget for the current fiscal year, including summary information on programs which were funded or are to be funded.

FY 2007 PROGRAM OF WORK

Condominium Review Committee

Condominium Recodification and Education – Concurrently with the administration of Chapter 514A, HRS, participated in the legislative process to fine tune the new recodified Condominium Property Act (now codified as Chapter 514B, HRS, effective at the start of the 2007 fiscal year, July 1, 2006) and continued implementation. With the help of stakeholder organizations and volunteers continued the development and refinement of appropriate new

and amended forms (including web based on-line fillable forms), instructions, informational sheets, procedures and evaluative processes, curriculum, materials, handouts, and power point presentations for use in statewide educational efforts.

Continued with statewide advertising and delivery of the Commission-developed three-hour free seminar entitled, “The New Condominium Law Chapter 514B, HRS - Building on the Past.” Although the delivery of the developed seminar began well in advance of the new law’s implementation date, the Commission continued with various presentations during the fiscal year.

A volunteer faculty of representatives from the condominium development and governance community, including attorneys, and those from the real estate industry together with Commission’s staff delivered the Commission-developed three-hour free seminar.

The educational efforts were targeted to inform and educate those impacted by the new condominium law, namely, the condominium unit owners, boards, managing agents, resident managers, developers, real estate licensees, their respective attorneys, prospective condominium purchasers, and the general public.

Additionally, Commission staff assisted the Committee in individualizing and delivering the Commission-developed three-hour free seminar to Kauai Realty Company (September 20, 2006, 20 attended); Hawaii Association of Realtors,

See Report on pg. 3

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This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

The Hawaii Condominium Bulletin is funded by the Condominium Education Fund, Real Estate Commission, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs, State of Hawaii.



Letter from the Chair . . .

Happy New Year to you all! A review of 2007 proved to be a very busy year for our staff and the real estate world. We look forward to the New Year with great expectations.

Please see excerpts of the 2007 Annual Report for the Real Estate Commission for a recap of the Real Estate Commission's programs and the latest developments affecting condominiums.

In December 2007, we sadly bid adieu to Calvin Kimura, Supervising Executive Officer for the Real Estate Branch, who retired after 30 plus years of dedicated service. Calvin's constant presence, wealth of knowledge and many years of experience in real estate licensing, condominium registration and governance issues, including multiple legislative changes, is surely missed and is a great loss for the staff and Commission. We wish him a Happy Retirement full of fun and relaxation.

January marked the beginning of the 2008 legislative session when the legislature started reviewing all the initiatives and proposals for many issues. We will

keep you informed of issues new and old that may affect condominiums and its owners. After reading "Disabled Access Dispute Resolved with Settlement," you will understand the importance for all owners, especially board members to be aware of the fair housing laws and discrimination problems. We highly recommend that you educate yourselves to avoid costly penalties.

Finally, please review the Education calendar and the Meeting Schedule. Your attendance is always welcome and the Commission looks forward to your input at these meetings.

Sincerely,

William S. Chee

William S. Chee
Chair, Condominium Review Committee



William S. Chee

Ask the Condominium Specialist

Q Two board members voted on an issue where we believe there was a "conflict of interest" as they benefited from the outcome. Is conflict of interest defined in the statutes?

A Yes, conflict of interest is defined in the statute. According to §514B-125(f), HRS, "conflict of interest" means an issue in which a director has a direct personal or pecuniary interest not common to other members of the association. This definition became law on July 1, 2006 and applies to all condominiums created on and after that date and generally also applies to pre-existing condominiums which were created prior to July 1, 2006 unless certain circumstances exist. For a further discussion of these circumstances and the conflict of interest laws and other applicable laws that apply to pre-existing condominiums see "Ask the Condominium Specialist" in the Hawaii Condominium Bulletin Jan-Feb 2007 Volume 13, No. 4.

Additionally, §514B-125 (f), HRS, also prohibits a director from voting on any issue which the director has a conflict and requires the director to:

- (1) abstain from voting on any issue before the board; and
- (2) disclose the nature of the conflict prior to a vote and have the minutes reflect that a disclosure has been made.

Q We received notice that our maintenance fee will be increased by 40 percent. Can the Board increase the maintenance fees without the owners' consent?

A The answer is no. Where a board intends to exceed its total adopted annual operating budget by more than 20%, the board must obtain the approval of a majority of the unit owners. This appears to be the situation described in the question where the maintenance fee increase is 40%. On the other hand, the answer is yes. When there is an emergency or when the board does not exceed its total adopted annual operating budget by more than 20%, the board may increase the maintenance fees without the unit owners' consent (§514B-148(e), HRS). However, the board is required to give unit owners at least 30 days prior written notice of the increase (§514B-144(h), HRS).

Additionally, the board must adopt a resolution with "written findings" for the necessity of the "extraordinary expense" and why it was not or could not have been "reasonably foreseen in the budgeting process" before imposing or collecting an assessment. The resolution shall be distributed to the members with notice of the assessment. Section 514B-148(h), HRS states: "Emergency situation" means any extraordinary expenses:

- (1) Required by an order of a court;
- (2) Necessary to repair or maintain any part of the property for which the association is responsible where a threat to personal safety on the property is discovered;
- (3) Necessary to repair any part of the property for which

See Q & A on pg .9

Report from pg. 1

PAC Rim Conference (October 11 and 12, 2006, estimated 50 in attendance), and Hawaii Realty Associates LLC (January 20, 2007 approximately 15 attended). Received for registration, 248 new condominium projects created after July 1, 2006 in accordance with the new condominium property regime law, Chapter 514B, HRS. The Committee considered some 12 plus requests for informal non-binding interpretations of the provisions of the new condominium law, Chapter 514B, HRS. The Commission then, pursuant to Subchapter 5 of Chapter 201, Title 16, Hawaii Administrative Rules, issued 12 informal non-binding interpretations of the provisions of the new condominium law, Chapter 514B, HRS, and made them available to interested parties directly and online at the Commission's website. In planning next year's implementation of the new recodified law, Chapter 514B, HRS, the Commission looks forward to the continuing support of the condominium governance and development communities, their attorneys, the Hawaii State Bar Association-Real Property Section, and real estate industry. To these committed organizations and groups, the Commission extends a big Mahalo.

Advice, Education, and Referral – Responded and provided information to inquiries from the condominium community, developers, consumers, licensees, government officials, organizations, interested parties and the public, via telephone, walk-ins, faxes, written, emails, and through the Commission's website. Prepared for the printing and distribution of Commission-developed information; including copies of Chapters 514A and 514B, HRS, for each registered association. (See Chart No. 1 on page 6)

Condominium Apartment Owners on the Commission

Commissioner **Louis Abrams** is the only member of the Real Estate Commission who is a condominium owner/occupant. The following members of the Real Estate Commission are condominium owners:

Carol Ball
William Chee
Annette Aiona
Mark Suiso

Condominium Project and Developer's Public Reports – Continued the implementation and administration of the new Chapter 514B, HRS, condominium project registration program while continuing the same with Chapter 514A, HRS, administration and registration. With the help of stakeholder organizations, volunteers, other governmental agencies, and interested attorneys evaluated and developed, where appropriate, new processes, records, forms, information documents and rules. Continued working with procured consultants to assist with tasks. Continued to make developer's public reports available for public viewing and copying to disc via the Commission's website. Completed, in part, the formulation of a comprehensive evaluation system on the project registration and review process, including the use of evaluation forms by developers and attorneys. Continued to research and study a plan for electronic administration, including the scanning of documents on CDs.

Hawaii Condominium Bulletin – Continued the research, development, publication and distribution of a quarterly bulletin to all registered associations, CMAs, CHOs, which was available on the Commission's website. Continued the research and study of in-house electronic publication and delivery of the bulletin, and the publication of a "developers' reference file" with consultants contributing articles. Continued contract administration with consultant and procurement code management.

Condominium Mediation and Arbitration Program – Administered mediation programs. Coordinated joint complaint/mediation programs with RICO. Continued to work with the Mediation Center of the Pacific to provide educational seminars about alternative dispute resolution and mediation for board of directors, apartment owners, and CMAs. Collected information and statistical information for education and annual report purposes, including information and statistics relating to mandatory mediation pursuant to Act 232 (SLH 2001) (See Chart No. 2 on page 7)

Condominium Dispute Resolution Pilot Program – Continued to assist the Administrative Hearings Office in education and awareness programs. Pilot program to end June 30, 2009. Assisted in the administration of the pilot program and continued to assist the Administrative Hearings Office in any educational and awareness program. Supported legislation clarifying the availability of this program to condominium projects and associations created prior to July 1, 2006.

Condominium Association Registration – Administered the registration, including applications, review, policies, procedures, appeals, subpoenas, requests for records under OIP, implemented an electronic/computerized registration and listing of all association contact information on REC website and preprinted lists available upon request. (See Chart No. 3 on page 7)

Condominium Seminars and Symposium – Continued to produce seminars for the condominium community through procured contracts with providers. Continued to administer CETF subsidies for Commission approved seminars, including the following: "Owner and Board Disputes (Oahu, Maui)," "Reserves Budgets & Insurance," "Disaster Planning," "Bids, Contracts, and Funding," and "ABC Basic Course."

A total of 665 interested condominium owners from registered associations attended these subsidized seminars. Proactively sought additional consultants. Explored electronic publication of consumer brochures for seniors, those residing in condominiums, and the real estate broker.

Administered a CRC educational advisory group to provide recommendations and input regarding the CRC educational programs; the group included board members, resident

(Continued on next page)

Report from pg. 3

managers, representatives from self-managed associations, CMAs, condominium organizations, and educators.

CRC Educational Advisory Group – Administered this volunteer group which reviewed, recommended, assisted in development, updates and administration of condominium education-related projects.

Expanded the advisory group's focus to include recommendations for a Commission five year educational strategic plan for condominium education.

Incorporated this group as part of the "Ad Hoc Committee on Condominium Education and Research." During this fiscal year the group conducted three planning meetings.

Condominium Managing Agents Registration – Administered the registration requirements, including applications review, policies, procedures, appeals, subpoenas, and requests for records under OIP. Continued the administration of registration of corporations authorized as trust companies pursuant to Article 8 of Chapter 412, HRS, with Licensing Branch since active real estate brokers are exempt from the registration and fidelity bond requirements.

Condominium Hotel Operator Registration – Administered the licensing, registration, and certification requirements, including applications review, policies, procedures, appeals, subpoenas, and requests for records under OIP. Continued the administration of the registration program with Licensing Branch since active real estate brokers are exempt from the registration and fidelity bond requirements. This fiscal year, the Committee registered 19 CHOs.

Rule Making, Chapter 107 – Studied, evaluated, and researched rule amendments for the formal rule making process.

Meetings – Planned, coordinated, and conducted monthly CRC meetings. Included schedule of meetings and agendas on the Commission's website. Completed meetings minutes in PDF and searchable format.

Government and Legislative Participation and Report – Researched, participated, and reported on requests by the Legislature, including resolutions, agreements, and issues of mutual concern. In addition to researching, preparing, and presenting testimony on a number of condominium bills, staff assisted the Committee in monitoring and tracking 39 House and 37 Senate condominium related bills and 2 resolutions. Researched, developed, and distributed annual report to the Legislature on CETF programs and funds; immediately upon completion, submitted to the Commission's website.

Legislative Acts and Resolutions – Reviewed, reported, and developed summaries on all related acts and resolutions; implemented requirements of directly related acts and reso-

lutions. The enactment of new laws and the adoption of resolutions at the end of the fiscal year impacted the CRC's Advice, Education and Referral program of work item. Condominium board members, apartment owners, managing agents and interested others inquired about the following new laws:

Act 21 – Amended Act 164 SLH 2004 by removing the sunset and re-enactment of section 514B-146, HRS, relating to assessments and liens with respect to condominiums; thereby continuing the relief to condominium associations in collecting delinquent maintenance fees, especially in cases where an apartment owner is undergoing foreclosure proceedings.

Act 53 – Established a condominium hotel class of liquor license.

Act 166 – Exempted from taxation one hundred percent of capital gains realized during taxable years 2008-2012 from the sale of leased fee interest in condominium units to associations or residential cooperative corporations.

Act 243 – Limited the use or distribution of the condominium association member lists and prohibited the distribution of membership lists for commercial and political purposes without prior written consent of a condominium association's board of directors; prevents the managing agent and resident manager from distributing association membership lists without the prior written consent of the board; made the membership lists the property of the association; and prevents the managing agent, resident manager, or board from using the information contained in the list to create separate lists for the purposes of evading the provision of the statute.

Act 241 – Limited the fee charged to a member to obtain copies of association records to not exceed one dollar per page, except the fee for pages exceeding 8 1/2 inches by 14 inches may exceed one dollar per page.

Act 242 – Re-established requirements for condominium management dispute resolution in Chapter 514A, HRS.

Act 244 – Makes technical and conforming amendments that relate to the original condominium law (Chapter 514A, HRS), specifically reenacted parts I, V, and VII of Chapter 514A, HRS, retroactive to July 1, 2006 that were repealed by section 26 of Act 154, Session Laws of Hawaii 2004.

Resolutions adopted:

HR 228, HCR 287 – Requested the Department of Commerce and Consumer Affairs to report on its experience with and to evaluate the current system for condominium dispute resolution.

SCR 160 SD1 – Requested a sunrise review of the regulation of entities governed by Chapter 514A or 514B, HRS, and the enforcement of policies relating to condominiums in the state through the creation of a condominium commission.

Prepared for printing and distributed amended unofficial copies of Chapters 514A and 514B, HRS.

Interactive Participation with Organizations – Continued active participation with local, Pacific Rim, national and international organizations and government agencies for the exchange of information and concerns, sharing of education and research efforts, joint projects of mutual concern, training, etc., through attendance, membership and participation at local, regional, national, and international meetings, including CAI, CAI Hawaii, HCAAO, HICCO, Condominium Council of Maui, IREM, ARELLO, Hawaii State Bar, and Zenkauren (Japan). Participated with agencies and organizations to include recodification education programs.

Neighbor Island Outreach – Held two committee meetings at neighbor island sites in collaboration with the local boards, HAR, condominium organizations, etc. This fiscal year the Committee met on January 10, 2007 on Maui and on June 15, 2007 on Kauai. The meetings afford the neighbor island condominium community, owners, boards, related professionals, government officials, and interested parties an opportunity to attend and participate in committee meetings.

Condominium Education Trust Fund (CETF) – Administered fund. Prepared, maintained, and reviewed budget, finance, and records for the CETF. Prepared quarterly and annual financial statements, budget, and administered fund investment. Planned and worked with the DCCA to increase budget for funding the recodification program, personnel compensation, and additional educational programs subject to revenue projections.

Consumer Education – Researched a consumer education program targeting prospective purchasers of condominium units and new owners of condominium units on initial project sales and resales. Considered a pamphlet or brochure on condominium living and governance in consultation with real estate professionals, condominium board members, condominium unit owners, and developers. Incorporated this program as part of the CRC Educational Advisory Group's five year educational strategic plan for condominium education.

Rule Making, Chapter 53, Fees – Monitored, reviewed, researched, and made recommendations on rule amendments for fees through coordination with the Licensing Administrator.

CPR Project Workshop and Meetings – Conducted on November 2, 2006 the annual workshop for condominium consultants for purposes of orientation and information. In conjunction with the recodification of Chapter 514A, HRS, and implementation of Chapter 514B, HRS, facilitated forums for representatives of developers, attorneys, condominium consultants, CMAs, and association focus groups.

Condominium Specialists Office for the Day – Condominium Specialists set up office at RICO neighbor island offices or other sites to provide the condominium community, developers, government officials, consumer purchasers, and other related professionals advice, education, and referral with advanced publicity, mail outs, and appointments; upon request, included train-

ing of RICO investigators. The condominium specialists visited Maui in January and Kauai in June 2007.

In addition, the condominium specialists held its office for the day in conjunction with the recodification educational sessions on those dates and neighbor islands previously reported to you under "Condominium Recodification and Education."

Condominium Speakership Program – Subject to State government approvals and priorities, honored requests to provide a speaker, resource person, or participant in a function related to condominium education, recodification, condominium issues, and condominium project registration.

The Commission staff individualized and delivered the Commission-developed recodification presentations for Kauai Realty Company, Hawaii Association of Realtors, and Hawaii Realty Associates LLC, on the respective dates previously reported to you under "Condominium Recodification and Education."

Technology and Website – Administered an in-house and network computer system; including training, purchases, and DCCA and PVL D plans. Maintained, updated the electronic storage, reviewed printing of developer's public reports, registration and public information.

Pursuant to the new recodified condominium law, Chapter 514B, HRS, continued to post and make the new developer's public report form and other related forms form fillable and downloadable.

Evaluated and amended these forms to meet the implementation challenges which surfaced this fiscal year.

Administered the Commission's website with long range plan of including all condominium information, forms, database, plus online registration.

Utilized scanning for website, storage of public information, and other programs; developed and maintained CD ROM PC for review and use by the public including educational materials and developers' public reports. Continued to study the feasibility of providing associations a central depository for all governing documents, minutes, via voluntary participation, including the cost of such.

Case Law Review Program – Monitored, collected and reported on judgments and decisions on Hawaii, Federal, and other states' court cases; reported on governance and development cases; evaluated cases for inclusion in the *Condominium Bulletin*.

Start-up Kit for New AOA's and New CMAs – Distributed start-up kits to new registered AOA's and CMAs; including unofficial copies of Chapters 514A, and 514B, HRS, rules, budget and reserves guide, board of directors' guides, and past condominium bulletins.

Records Management – Evaluated, planned, reorganized, and implemented a centralized, consistent, user friendly,

computerized glossary of the existing and future educational materials, records, and developers' public reports and files. Maintained and updated the scanning and electronic storage of records, including developer's public reports.

Cooperative Education, Research, and Administrative Program – Actively participated and sponsored cooperative education, research and administrative programs for those persons, branches, divisions, department personnel, the Office of the Attorney General's Office that provided direct or indirect services to the Commission and its condominium education trust fund and condominium project registration responsibilities.

Division and Department Program – Continued the coordination of activities and programs of mutual concern with PVLD, RICO, and DCCA.

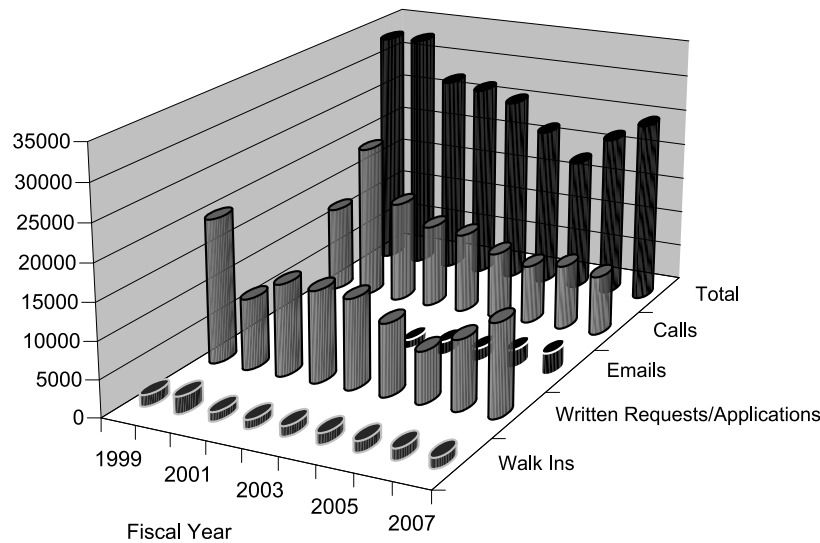
Staff and Commissioners Development – Developed and

trained staff and Commissioners for better administration of the condominium education and registration programs. Participated in training and educational opportunities provided by REEA, ARELLO, CAI, CAI Hawaii, CLEAR, and other organizations.

Condominium Reference Library – Maintained at the Real Estate Branch Office and on the Commission's website, a catalog of all public reference materials provided to State Libraries (especially in highly concentrated CPR areas) and mediation services offices (neighbor islands included).

Considered the cost of updating all condominium library reference materials, and the retaining of consultants to update the board of directors' guides and its printing.

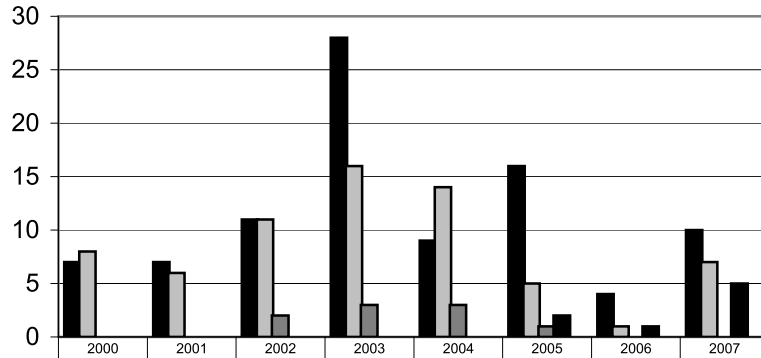
Recommended the inclusion of these updates as part of any developed five year educational strategic plan for condominium education.



	1999	2000	2001	2002	2003	2004	2005	2006	2007
Walk Ins	1568	2325	1235	1229	1395	1480	1473	1551	1388
Written Requests/Applications	19635	9650	12481	12449	12217	9819	7027	9461	12535
Emails					1259	1819	1812	2487	2940
Calls	11721	21182	13947	11387	10971	9050	8064	8863	8157
Total	32924	33157	27663	27067	25842	22168	18376	22362	25020

Chart No. 1: Condominium Advice, Education and Referral

Total Number of Requests



	2000	2001	2002	2003	2004	2005	2006	2007
■ Mediation Center of the Pacific Inc. *	7	7	11	28	9	16	4	10
□ Mediation Services of Maui Inc.	8	6	11	16	14	5	1	7
■ Kauai Economic Opportunity Inc.**		0	2	3	3	1	0	0
■ Big Island Mediation Inc. dba West Hawaii Mediation Services**		0	0	0	0	2	1	5
□ The Island of Hawaii YMCA (Ku'ikahi Mediation Center)**		0	0	0	0	0	0	0

Chart No. 2: Condominium Governance Mediations

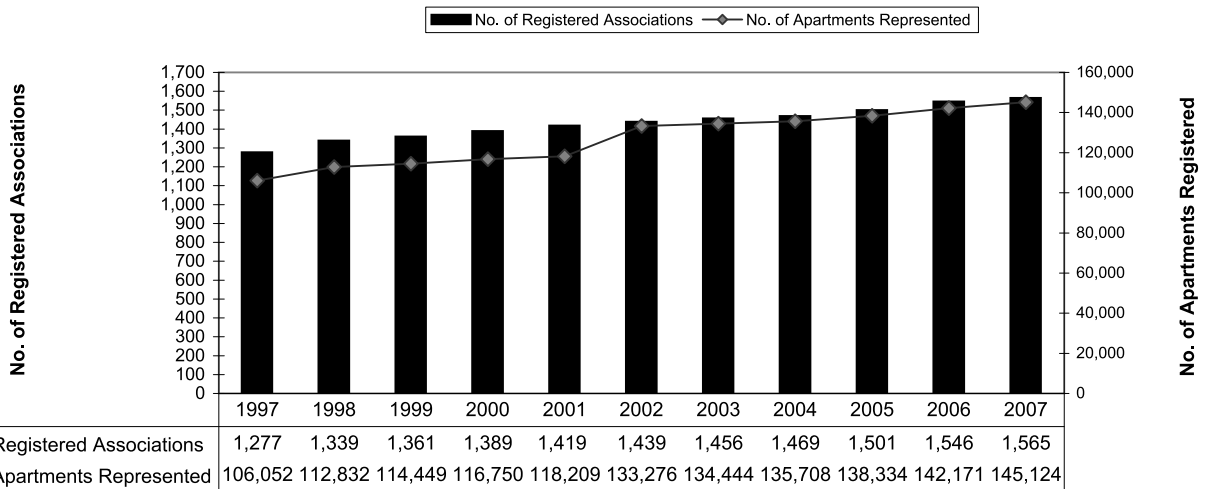


Chart No. 3: Condominium Association Registration

AOAO and Disabled Resident Resolve Access Dispute

KIHEI — A disabled resident of the Menehune Shores and the condominium owners association have resolved an access dispute in which the owners association will pay \$200,000 and promise to maintain nondiscriminatory policies.

The Hawaii Civil Rights Commission reported Friday that the settlement was reached after the issue was set for an administrative hearing before the commission.

In the settlement agreement, the Association of Apartment Owners of Menehune Shores and its manager, Asset Property Management Inc., do not admit to any violations of fair housing laws. But they agree to assure that complainant Bob Bourbeau will be provided appropriate access to his apartment unit.

Bourbeau requires a wheelchair. He and his wife, Bessie, complained that the association and management group removed a wheelchair ramp to the facility without discussing the matter with them or warning them.

The condominium association claimed a portable ramp provided an alternative access to the Bourbeaus' second-floor unit. But the Bourbeaus said the metal ramp was unsafe and was provided only on request.

Under the settlement agreement, the association will install a permanent ramp on the second floor; pay \$200,000; provide fair housing training for board members and agents; and maintain policies and procedures on dealing with reasonable requests for accommodation for disabled individuals.

The training for association board members and management personnel will emphasize that state and federal fair housing laws prohibit retaliation against anyone requesting accommodations for a disability.

The association's attorney, James Geiger, said the association is satisfied with the resolution of the complaint.

"It was not the intent of the association to cause any

inconvenience to the Bourbeaus, but a lack of knowledge on the correct way to handle the situation caused the dispute," Geiger said. "It shows how important it is for volunteer boards to keep up with the changes in state and federal law."

After the Bourbeaus filed their complaint in June 2004, the Civil Rights Commission said, an investigation found a reasonable cause to believe discrimination had occurred.

When the two sides were unable to reach an agreement on their own, the matter was scheduled for an administrative hearing before the Commission, with a private attorney, Eric Ferrer, joining the Bourbeaus' legal team as lead counsel.

Commission Executive Director William Hoshijo said the Bourbeaus' case provides an example of the need for condominium associations and management agencies to fully understand the requirements for reasonable accommodations under fair housing laws.

"In these cases, condo boards, managers and agents should respond to requests for accommodations in a timely manner," he said. "Common sense and good faith go a long way. I'd strongly encourage parties to talk things over and try to agree on a reasonable accommodation. That's what the legal requirement of an 'interactive process' is all about."

Under the law, he said, condominium associations are considered providers of housing and are responsible for accommodations for individuals with disabilities to have equal use and enjoyment of their housing units.

Ferrer said the Bourbeaus are satisfied with the settlement reached more than three years after the situation occurred. "The settlement vindicates their rights and makes it possible for them to live in their home with access to the elevator," he said.

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2008 Real Estate Commission Meeting Schedule

These committees meet one after another, beginning at 9 a.m.: Laws & Rules Review, Education Review, and Condominium Review

Wednesday, March 12, 2008
Wednesday, April 9, 2008
Wednesday, May 7, 2008 (Maui)
Tuesday, June 10, 2008

Real Estate Commission, 9 a.m.

Friday, March 28, 2008
Friday, April 25, 2008
Friday, May 30, 2008
Friday, June 27, 2008

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor, Honolulu, except the May 7, 2008 Committee meetings, which will be held at the REALTORS Association of Maui, located at 441 Ala Makani Place, Kahului, Maui.

Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at 586-2643 to confirm the dates, times, and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at 586-2643 to submit your request.

Speakers Tell CAI Members How to Hold a Successful Meeting

On January 26, the Hawaii Chapter of the Community Associations Institute (CAI) presented a program for the condominium community, *Avoiding Disasters at Annual Meetings*.

Meetings Scheduled for Maui

On May 7, the Real Estate Commission will have its monthly standing committee meetings on Maui and a Condominium Specialist Office for the Day as well. These meetings are held on different islands as part of the Commission's program of work.

The meetings give Neighbor Island members of the condominium and real estate communities a chance to attend the Commission's Laws and Rules, Education, and Condominium Review Committee meetings usually held on Oahu.

Participants include condominium apartment owners, board members, real estate licensees, and county officials involved with the registration of condominium projects.

Benedyne Stone Returns to the Real Estate Branch

Benedyne Stone has replaced David Grupen as Condominium Specialist with the Real Estate Branch. She left the Public Utilities Commission to return to the position she left 10 years ago. David Grupen is now a Real Estate Specialist.

Benedyne has a bachelor's degree in sociology from Lewis and Clark College in Oregon, a master's in social work from the University of Hawaii, and a juris doctorate from UH's William S. Richardson School of Law.

Benedyne has much experience with the original condominium law and will now become well versed in the new condominium law, Chapter 514B, Hawaii Revised Statutes.

Ask the Condominium Specialist

Q & A from pg 2

the association is responsible that could not have been reasonably foreseen by the board in preparing and distributing the annual operating budget;

(4) Necessary to respond to any legal or administrative proceeding brought against the association that could not have been reasonably foreseen by the board in preparing and distributing the annual operating budget; or

(5) Necessary for the association to obtain adequate insurance for the property which the association must insure.

If a unit owner disagrees with the increase, the unit owner must first pay the maintenance fees and then contest it (§514B-146(c), HRS). The boards of all condominiums are required to comply with the procedures discussed here unless certain circumstances exist. For a further discussion of these circumstances see "Ask the Condominium Specialist" in the Hawaii Condominium Bulletin Jan-Feb 2007 Volume 13, No. 4.

The program was held at the Japanese Cultural Center and featured speakers were Steve Glanstein, Professional Registered Parliamentarian, Bruce Howe, a Vice President of Hawaiiana Management Co., Ltd., Terrance Revere, Esq., a partner in the law firm of Motooka Yamamoto & Revere, and Alan Takumi, Community Association Manager with Certified Management, Inc. Attendees were condominium homeowners, board members, property managers, and attorneys.

The program was subsidized in part by the Condominium Education Fund, Real Estate Branch, of the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. The topic was especially relevant since this is the time of year when many condominium associations hold their mandatory annual meetings.

The speakers took attendees through the steps necessary to conduct a successful annual association meeting, giving listeners the benefit of their collective knowledge gained during years of experience. The participants benefited from the experience of professionals in condominium management, law, and parliamentary procedure.

Conducting a successful annual meeting begins before the meeting itself. For example, it is important that a meeting room be reserved early and that the room is large enough to accommodate the association's owners comfortably.

It is also critical to notify the association's condominium managing agent of the meeting date early on so that he or she can ensure that sufficient staff is available to assist with the meeting. That's important because at this time of year, those managing agents may need to juggle many association meetings despite having a limited staff.

In addition, program participants were advised to invite attorneys, auditors, parliamentarians, engineers, and service vendors associated with the condominium association to the meeting. It is essential, therefore, to plan ahead for the annual meeting.

Before sending out meeting notices and proxy forms, it's wise to consult the association's attorney to confirm compliance with applicable laws and association documents.

Attendees were told that meeting planners shouldn't be afraid to use a script at an annual meeting because a script, along with an agenda, helps keep the session on track.

Finally, make sure that all professionals have access during the meeting to current condominium association documents—that is, declaration, bylaws and condominium map. Being prepared will prevent having to call a time-consuming recess while staff tries to track down applicable documents.

In particular, be sure to have a copy of applicable state laws and administrative rules available for any legal questions that may arise.

Mediation Case Summaries

Cases Handled By Mediation Center of the Pacific

Between October 1, 2007, and December 31, 2007, there were a total of seven (7) cases involving condominium disputes. Three (3) were mediated and four (4) were closed without mediation.

<u>Parties</u>	<u>Complaint</u>	<u>Disposition</u>
Owner vs. BOD	Dispute regarding pets, alleged violation of house rules, and fines	Mediated agreement
Owner vs. BOD	Board conversion of parking area without consent of owners	BOD declined mediation
Owner vs. BOD	Noise from common element	BOD declined mediation
Owner vs. BOD	Repair of common element	Mediated w/no agreement
Owner vs. BOD	Bylaws and assessment of fines	Mediated agreement
Owner vs. BOD	Maintenance of common element	BOD declined mediation
Owner vs. BOD	BOD fiduciary duties	BOD declined mediation

Cases Handled By Mediation Services of Maui

Between October 1, 2007, and December 31, 2007, there were a total of four (4) cases involving condominium disputes. One (1) was mediated and three (3) were closed without mediation.

Owner vs. BOD	Issues involving house rules and common elements	Mediation deferred to accommodate new board members
Owner vs. Owner	House rules	Mediated agreement
Owner vs. BOD	Bylaw issues	Closed. No mediation
Owner vs. BOD	Bylaw and house rule issues	BOD refused mediation

Cases Handled By Regulated Industries Complaints Office

Between October 1, 2007, and December 31, 2007, there was one (1) case involving condominium disputes that was mediated.

Owner vs. AOA and managing agent	Definition of common and limited common elements in regards to sprinkler system	Mediated
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No cases were reported by Kauai Economic Opportunity, Inc., Kuikahi Mediation Center, and West Hawaii Mediation Center.

His Tenure Saw Significant Changes

Calvin Kimura Retires after Years of Outstanding Service

Calvin Kimura, Supervising Executive Officer (SEO) of the Real Estate Branch, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs (DCCA), retired on December 28, 2007, after more than 30 years of dedicated service.

Calvin began his State career on September 16, 1974 as an investigator with the Regulated Industries Complaints Office (RICO).

While at RICO, he moved up to a Supervising Investigator position in 1979 and held this position until January 15, 1986, at which time he transferred to the Professional and Vocational Licensing Division (PVL), DCCA, and took on a temporary assignment as the Executive Officer (EO) for the Real Estate Commission. Calvin officially assumed the EO position on July 1, 1986, and held this position, which was upgraded to Supervising Executive Officer, until his retirement last year.

During Calvin's tenure as the EO, and then, as the duties and responsibilities of real estate expanded and grew, the Supervising Executive Officer (SEO) of the Real Estate Commission and Real Estate Branch, many significant changes took place that have shaped real estate licensing as it is known today.

Mandatory continuing education for all real estate licensees was approved by the Hawaii State Legislature in 1987, after a protracted lobbying effort and scrutiny by the Legislative Auditor.

In 2001, under the direction of then Lieutenant Governor Mazie Hirono, the Hawaii Administrative Rules (HAR), Chapter 99, Real Estate Brokers and Salespersons, underwent revision. The Slice Waste and Tape initiative, known as SWAT, streamlined to some extent many of the licensing rules that were outdated, inefficient, and irrelevant. In 2005, the 20-plus year old broker's prelicense course was updated and revised.

Whereas the broker's prelicense course previously was a mere one hour longer than the 45-hour salesperson's prelicense course, the updating of the broker's prelicense course resulted in an 80-hour curriculum.

In 2006, the salesperson's prelicense course, which was last revised in 1993, was also updated. The salesperson's

prelicense curriculum increased to 60 hours, and in 2007, the two courses were required to be taught separately, and not jointly, as previously allowed. In 2002 online license renewals and reregistrations were available for the first time. The electronic wave also touched the condominium property regimes area with electronic copies of condominium and association registrations available.

In 2004 the mandatory core course became available in an online format for the first time. The 40-year-old condominium property regimes law was also recodified beginning in 2004.

Calvin's life before real estate includes: Graduating from the University of Hawaii, Labor Law Specialist, IRS agent, and Army Security Agency, RICO field investigator, and RICO Supervising Investigator. He has held a real estate broker's license since 1979 (inactive status). In 1981, he began participating with the National Association of Real Estate License Law Officials (NARELLO), which is now known as the Association of Real Estate License Law Officials (ARELLO) organization

through its Certified Investigator Program, and continued participating in every Mid-Year, District, and Annual NARELLO/ARELLO conference since 1986 (except for the Salt Lake meeting).

Calvin has served as NARELLO/ARELLO District Vice-President and Director, and has served as Chair and Vice-Chair for various committees and working groups.

The Real Estate Commission and the Real Estate Branch/DCCA, will miss Calvin's presence, his guidance, his many war stories regarding Hawaii's real estate industry, and the past workings of the numerous Real Estate Commissions he has assisted, the precedents set, first-steps taken, lessons learned, and experiences gleaned from his annual lobbying at the legislature on behalf of real estate licensees.

Calvin was a fixture with the Real Estate Commission and the Real Estate Branch, and the light he was able to cast on the many projects and decisions that were made during his tenure, will continue to guide the way for those that follow in his footsteps.



Calvin Kimura

Condominium Education Calendar

This calendar lists upcoming educational events of interest to the condominium community. The publishers express **no opinion** about the quality or content of any event they do not sponsor. This listing should not be construed as an endorsement or sponsorship of any event, unless expressly indicated. Events may be subject to change; please check directly with the provider to confirm each event.

Date	Time	Event Title	Location	Provider
03/27/2008	TBA	*Dealing w/ Hazards – Asbestos/Mold	Japanese Cultural Ctr.	CAI-H
4/26/2008	TBA	*ABC's	Japanese Cultural Ctr.	CAI-H
4/30-5/3/2008		CAI's 57th Nat'l Conference & Exposition	Orlando, Florida	CAI
6/28/2008	TBA	*Disaster Preparedness & Health Issues	Japanese Cultural Ctr.	CAI-H
7/24/2008	TBA	*Legislative Update	Hale Koa Hotel	CAI-H
8/21/2008	TBA	*Covenants Enforcement	Hale Koa Hotel	CAI-H
9/25/2008	TBA	*Top Traits of Boards and Managers	Hale Koa Hotel	CAI-H
10/25/2008	TBA	*Defending & Winning Suits Against the Associations or Boards	Japanese Cultural Ctr.	CAI-H

*** The seminar is partly funded by funds from the Condominium Education Fund, Real Estate Commission, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs, State of Hawaii for condominium apartment owners whose AOA is currently registered with the Real Estate Commission.**

	Provider	Phone	Address
CAI	Community Associations Institute (National) www.caionline.org	(703) 548-8600	225 Reinekers Ln #300 Alexandria, VA 22314
CAI-H	Community Associations Institute - Hawaii Chapter www.caihawaii.org	488-1133	P.O. Box 976 Honolulu, HI 96808
CCM	Condominium Council of Maui www.mauicondocouncil.com	573-4231	PO Box 1362 Kihei, HI 96753
HAR	Hawaii Association of Realtors www.hawaiiirealtors.com	733-7060	1136 12 th Ave., Ste. 220 Honolulu, HI 96816
HCAA0	Hawaii Council of Associations of Apartment Owners	737-2021	3454 Waiialae Ave Ste. 6 Honolulu, HI 96816
HSAP	Hawaii State Association of Parliamentarians www.hsap.org		98-238 Paleo Way Aiea, HI 96701
HSBA-CLE	Hawaii State Bar Association - Continuing Legal Educ. www.hsba.org	537-1868	1132 Bishop St., Ste 906 Honolulu, HI 96813
IREM	Institute of Real Estate Management Hawaii Chapter No. 34 www.iremhawaii.org	847-0141	PO Box 17040 Honolulu, HI 96817
LOR	Lorman Education Services www.lorman.com	(866) 352-9539	2510 Alpine Road Eau Claire, WI 54703
UH-OC	Noncredit Programs, Outreach College, University of Hawaii	956-8244	2530 Dole Street Honolulu, HI 96822

Real Estate Branch and Real Estate Commission's web page at: <http://www.hawaii.gov/hirec>
Address: 335 Merchant Street, Rm. 333; Honolulu, HI 96813; Phone: (808) 586-2643

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