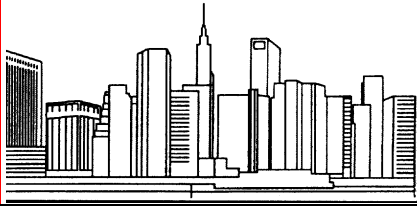


HAWAII CONDOMINIUM BULLETIN



VOLUME 10 NO. 2

Funded through the Condominium Education Fund

MARCH 2002

Maui's Condo Community Attends Committee Meetings

On January 4, 2002, the Real Estate Commission (Commission) convened its monthly standing committee meetings in Kahului, Maui. The Commission's recodification attorney also held an afternoon educational briefing on the project to recodify the condominium law, HRS Chapter 514A.

Convening standing committee meetings on the neighbor islands affords the condominium and real estate communities the opportunity to attend the Laws and Rules, Education, and Condominium Review Committee meetings which are typically held each month on Oahu.

The Condominium Review Committee's agenda items included topics ranging from HRS Chapter 514A, HAR Chapter 107, condominium projects and public reports, governance and management issues, association and managing agent registration, dispute resolution and education programs, condominium education fund, recodification project, and legislation affecting condominiums. The Commissioners and staff also provided

See Meetings on Maui on pg. 5

Excerpts from the 2001 Annual Report—CRC Report

As required by statute, the Commission has prepared and transmitted its 2001 Annual Report to the Governor and Legislature. The 2001 Annual Report summarizes the programs of the Commission and its three standing committees during the fiscal period July 1, 2000 through June 30, 2001.

To reduce printing and distribution costs, the full text of the 2001 Annual Report is published on the Commission's website at www.state.hi.us/hirec. The following condominium-specific excerpts from the 2001 Annual Report are reprinted here for the benefit of the condominium community. Chair Mitchell Imanaka and Vice Chair Peter Rice directed the Condominium Review Committee's 2001 fiscal year program of work.

The Condominium Review Committee (CRC) is a standing committee that holds monthly public meetings in which "nuts and bolts"

See Annual Report pg. 6

HRS Chapter 514A Recodification Update

The Real Estate Commission has completed its initial draft of the recodification of Hawaii's condominium property regimes law. Recodification Draft #1 provides a starting point and framework from which to: 1) work on specific problems, and 2) continue our discussions on improving Hawaii's condominium law. Some portions are more complete than others, with Article 3 (Management of Condominium) needing a lot more work to integrate provisions of HRS Chapter 514A and suggestions from stakeholders.

A Blue Ribbon advisory committee

is currently reviewing Recodification Draft #1. The advisory committee initially consists of attorneys with practices covering the full spectrum of condominium law.

As always, we are interested in learning what problems you have with HRS Chapter 514A and what solutions you might suggest. For your reference, Recodification Draft #1, the recodification workplan, timetable, base working document [a comparison of the Uniform Common Interest Ownership Act (UCIOA), Uniform Condominium Act (UCA), and HRS Chapter 514A], and other recodifi-

cation materials are available on our website at www.state.hi.us/hirec.

Please address correspondence to: Mitchell Imanaka & Gordon Arakaki; DCCA – Real Estate Branch; 250 South King Street, Room 702; Honolulu, HI 96813. You may also call us at 586-2644 or 586-2646, or e-mail us at Gordon_M_Arakaki@dcca.state.hi.us.

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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.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2644 to submit your request.



Letter from the Chair . . .

Dear Condominium Owners and Managing Agents:

For the benefit of the condominium community, we have reprinted condominium-specific excerpts from our 2001 Annual Report to the governor and Legislature. We hope the excerpts will assist readers in understanding the many programs of the Condominium Review Committee for the fiscal period July 1, 2000 through June 30, 2001.

This issue of the *Bulletin* also contains an article on the standing committee meetings convened in January 2002 in Kahului, Maui. The commissioners and staff enjoyed exchanging information and discussing concerns with the Maui condominium community.

We've also included an update article on our HRS Chapter 514A recodification program. For your convenience, Recodification Draft #1 is posted on our website at www.state.hi.us/hirec.

As always, we welcome your comments and suggestions regarding the recodification program.

The "Ask the Condominium Specialist" column highlights the availability of the *Bulletin* on the Commission's website, as well as discusses the new mandatory mediation law, HRS section 514A-121.5.

In a related article, "Mediation Case Summaries," the condominium mediation cases handled by our mediation providers for the period October 1, 2001 through December 31, 2001 are summarized.

Due to numerous calls to the Commission staff regarding condominium governance issues, the Reference File contains an excellent article on the basics of condominium governance. Honolulu attorney John Morris, who was the first condominium specialist for the State of Hawaii, is the guest contributing author.

Finally, you are invited to attend our monthly standing committee and Commission meetings listed in the 2002 Meeting Schedule, as well as the informative seminars listed in the Education Calendar.

Because we are in the process of formulating the program of work for fiscal year 2003 (July 1, 2002 – June 30, 2003), we also welcome your suggestions regarding condominium educational programs by calling the Commission staff at 586-2644 or writing to 250 S. King St. Rm. 702, Honolulu 96813.

Sincerely,

Mitchell A. Imanaka

Mitchell A. Imanaka, Chair
Condominium Review Committee

Ask the Condominium Specialist

Q Our board enjoys reading the *Hawaii Condominium Bulletin*. We also put a copy in the office for the owners to read, but not many owners take the time. Is there a way for owners to obtain copies of the *Bulletin*?

A Yes, the *Bulletin* is available on the Real Estate Commission's website located at www.state.hi.us/hirec. This quarterly newsletter is in Adobe Acrobat PDF format and requires the Adobe Acrobat Reader to view or print.

The Acrobat Reader may be downloaded free of charge by clicking the "Download Adobe Acrobat Reader" link and completing the steps on Adobe's website.

Once the Acrobat Reader has been downloaded, return to the Commission's website and click on "Condominiums" then "Hawaii Condominium Bulletin" to view or print the Summer 1995 through current edition.

There is also a helpful Index File listing Fall 1991 through June 2001 *Bulletin* articles to aid research by topic.

The *Hawaii Condominium Bulletin* is published for educational purposes using monies from the Condominium Education Fund.

Q I've heard that a new mediation law was passed in 2001. If an owner or the board wants to mediate a condominium dispute, does the new law require the other party to mediate?

A Effective June 13, 2001, HRS section 514A-121.5 (Act 232, SLH 2001) requires mediation if a condominium apartment owner or the board requests mediation of certain types of disputes.

Under the new law, owners and boards are required to participate in mediation if the dispute involves the interpretation or enforcement of the declaration, bylaws, house rules or specific sections of HRS Chapter 514A.

The specific sections are: 514A-82(b)(1) removal of board members, 514A-82(b)(2) amendment of bylaws, 514A-82(b)(3) notices of meetings, 514A-82(b)(4) solicitation, voting & proxies, 514A-82(b)(5) director conflict of interest, 514A-82(b)(6) access to apartments, 514A-82(b)(7) owners acting as officers & employees of managing agent, 514A-82(b)(8) AOA employees selling/renting apartments, 514A-82(b)(9) notice & board meetings, 514A-82(b)(10) AOA funds for director travel, fees & per diem, 514A-82(b)(11) providing declaration, bylaws, house rules & 514A to board, 514A-82(b)(12) AOA expenses to educate directors, 514A-82(b)(13) enforcing liens, 514A-82.1 background check on AOA employees, 514A-82.15 board representation in mixed use condos, 514A-82.3 AOA borrowing

See Q & A on pg. 5

Basics of Condominium Governance

by John Morris, Esq.

Condominiums operate on the principle of “self-governance”: the owners, through their elected board, run their own projects, with little government intervention. As long as owners and boards are aware of their respective rights and responsibilities, the condominium project usually runs well. Problems arise when either the owners or the board fail to do what the law and the governing documents require. Therefore, it is important for owners and boards to understand their role in the governance process.

Framework

State law and the governing documents of each association provides a framework for self-governance (federal and county requirements may also apply). The condominium law - the Condominium Property Regime Act - is Chapter 514A, Hawaii Revised Statutes (HRS). Incorporated condominium associations are also subject to the Nonprofit Corporation Act, Chapter 415B, HRS (which also applies to non-condominium associations and planned communities, e.g., Mililani Town, Waialeale, Makakilo).

The statutory framework is supplemented by the governing documents of each association. The condominium law requires each condominium to have two governing documents, a “declaration” and “bylaws.” The law also permits a third governing document, the “house rules.”

Together, the law and governing documents of each association define the owners’ and board’s responsibilities and rights.

The Board’s Role in the Process

Under self-governance, the “association” - comprised of everyone who owns an apartment in the project, acting together as a group at a properly called meeting - is ultimately responsible for operating and managing the project. Each owner must be a member of the association and only owners can be association members. The law and bylaws usually establish how association meetings are called and the percentage of owners required to adopt decisions binding on all owners. Association members, as owners, have the right to vote on association matters and the duty to pay their share of association expenses.

The law and the governing documents recognize, however, that not every owner can participate in the day-to-day operations of the association or project. Therefore, the law and the governing documents require the owners to elect a smaller number of owners as a “board of directors.” Those directors then make most of the decisions concerning the day-to-day operations of the project.

In fact, even the board of directors is too large to participate in all actions and decisions. Therefore, most boards elect officers (the president, vice-president, secretary, and treasurer) to carry out the decisions of the board. Some boards also appoint committees to work on important issues and report back

to the board.

Since most boards and officers are volunteers, they usually hire employees or agents, such as a resident manager or managing agent, to assist in the operation and management of the condominium project. The board may delegate authority to the officers, the managing agent, the resident manager, or committees. Ultimately, however, the board is responsible for ensuring that the association is run in accordance with the law and the governing documents, and the owners are responsible for overseeing the board.

Board’s Role in Day-to-Day Operations & Owners’ Role in Supervising the Board

The directors’ responsibilities as the managers of the project include, but are not limited to: operating the project and association, maintaining the property, enforcing the law and documents, and collecting and disbursing association funds. The transfer of power from the owners to the board creates rights and responsibilities for owners and the board which each should recognize and understand.

Owners:

- Owners who fail to participate in the election of directors may live to regret it. Once directors are elected, owners are limited to participating in major decisions, such as amendment of the governing documents, borrowing money, approving material alterations to the condominium project, etc. The board, not the owners, controls the day-to-day operations at the project. Owners retain ultimate control through their authority to remove directors, but that is a cumbersome and divisive process.
- Self-governance means that owners have the primary responsibility for supervising the board and the operation and maintenance of the project. As a result, the law gives owners a right to inspect most association records relevant to the operation and management of the project. Condominium owners should not assume that someone else is keeping an eye on the board or expect the State to supervise. The law provides for State intervention only in very limited areas, e.g., to ensure the availability of information and to prevent the mishandling of association funds.

Boards:

- The board must ensure the condominium project is run properly and in accordance with the law and governing documents. The law imposes a “fiduciary duty” on the board members to act in the best interests

of the owners they represent. Failure to do so can result in the board members being liable to the owners for breach of that “fiduciary duty.”

(The term “fiduciary duty” is essentially shorthand for the legal concept that when a person undertakes to act for others, even in an unpaid capacity, that person will be required to do a good job, i.e., follow all legal requirements, make informed decisions, put the interests of others first, avoid conflicts of interest, etc.)

- Boards should avoid the “my building” and “touched by god” syndromes. The project belongs to everyone and being elected to an association board does *not* mean you can do anything you want.

Board members can only do what the law and the association’s governing documents (declaration, bylaws, and house rules) permit.

The governing documents are like a contract between the owners and the board. That contract gives the board significant power, but also imposes significant restrictions.

Therefore, board members should be familiar with their rights, duties, and responsibilities under the law and their governing documents.

- Directors should make decisions as a group, at a properly called and noticed board meeting. A president (or any other officer or director) should avoid making major decisions without board approval. The full board should ratify any emergency action by individual directors or officers as soon as possible.

- The board can delegate authority to the managing agent and association employees to act on behalf of the board, but the board cannot delegate responsibility. The board, not the managing agent or employees is supposed to run the project (subject to the overriding control of the owners).

The board can hire a managing agent and employees to assist in running the project. Nevertheless, the board still has the ultimate responsibility for what happens, including responsibility for the actions of agents and employees of the association. The board should not “micro-manage” but it should remain involved.

Following proper procedures will help ensure that the board behaves in a reasonable, rational, and businesslike way.

The benefit of following proper procedures may be lost if no record exists to show what was done. Therefore, it is important to document what was done, to protect the board and the association. Boards should consider some or all of the following suggestions:

- Record votes in the minutes, both for and against motions. An abstention may not protect as well as a “no” vote because abstentions may count as a “yes.”
- Record motions and (good) deliberations in the minutes (i.e., what was decided). Ensure that absences from

board meetings are recorded.

- Be careful what is said (anti-discrimination laws are established to prevent people from acting on their worst instincts and saying/doing what they should not say/do).

- Supervise employees instead of just instructing and forgetting them. Provide job descriptions; keep records of employee problems/employment histories (including adequate proof of employee violations - in writing).

Violations should be consistently enforced and warnings should be given. An investigation should be made and the employee should be allowed to respond. In dealing with employees, the board should act fairly and its actions should appear fair.

- Carefully review any contract before signing it (ask an attorney if necessary). Check what will and will not be provided and whether performance standards are stated in the contract. Check termination and extension provisions to determine exactly what is required for termination of the contract. (Many contracts renew automatically unless advance notice is given.)

- Keep records of owner problems and violations. (Were notices of violations given? Records of violations kept? Are other records current?)

- Adopt reasonable financial controls (two signatures on large checks; regularly review financial information, bank statements, and other records).

- Request bids for large contracts. Obtain specifications before requesting bids so the bids are based on the same scope of work.

- Hire licensed contractors.

- Consult experts (attorneys/accountants/architects/engineers) if necessary, and rely on their advice, unless it is clearly wrong.

Do Something!

Board inaction can be a problem. Directors are elected to run the project and association, so directors should try to fulfill that responsibility.

If directors do nothing, it should be only because they have carefully considered the issue and consciously decided not to act, *not* because they hoped that by ignoring the issue it would go away. Making the wrong decision may be less damaging than making no decision at all.

About the Contributing Author

John Morris is an attorney with the law firm of Ashford & Wriston concentrating in the area of community association law.

He has practiced in Hawaii since 1984, and was the first condominium specialist for the State of Hawaii. Mr. Morris is also a past president of CAI – Hawaii.

Meetings on Maui from pg. 1

information and entertained questions from the audience during the open forum portions of the agenda and between committee meetings.

At the special afternoon briefing held by the recodification attorney, the workplan and timetable for recodifying HRS Chapter 514A was presented. Act 213 (SLH 2000) directed the Commission to conduct a recodification review of the condominium law and to submit draft legislation to the 2003 Legislature to "update, clarify, organize, deregulate, and provide for consistency and ease of use of the condominium property regimes law."

Interested Maui condominium owners, managing agents, board members, and representatives from the Maui Board of Realtors, the Condominium Council of Maui and a Maui law firm attended this session. There was a productive exchange of information, issues, and concerns among the participants.

The next neighbor island standing committee meetings are scheduled for Friday, June 14, 2002 on Kauai. If you will be on Kauai, please mark your calendar and plan on joining us at the committee meetings. The exact location and meeting times will be announced prior to the meetings.

Q & A from pg. 2

money, 514A-82.5 pet bylaws applying equally to owners & tenants, 514A-82.6 pet replacement & prohibition, 514A-83 purchaser's right to vote, 514A-83.1 board meeting requirements, 514A-83.2 proxy requirements, 514A-83.3 membership list requirements, 514A-83.4 minutes of meetings, 514A-83.5 AOA documents, 514A-84 management & contracts, or 514A-84.5 availability of documents.

If the owner or the board refuses to participate in mediation, a court may take this refusal into consideration when awarding expenses, costs, and attorney's fees.

Subsidized mediation is available on Oahu, Maui, Hawaii and Kauai through the Condominium Education Fund for registered condominium associations, their owners, tenants (excludes Landlord-Tenant Code disputes), officers, directors, employees acting in the scope of employment, and for registered condominium managing agents.

To arrange for mediation, call the mediation providers listed at the bottom of the "Mediation Case Summaries" article.

Mediation Case Summaries

MCP=Mediation Center of the Pacific, Inc.
KMC=Ku'ikahi Mediation Center
BOD=Board of Directors

MSM=Mediation Services of Maui, Inc.
RICO=Regulated Industries Complaints Office
CMA=Condominium Managing Agent

WHMC=West Hawaii Mediation Center
KEO=Kauai Economic Opportunity, Inc.

Cases handled by MCP (10/1/01 – 12/31/01)

A total of seven (7) cases involving condominium disputes were opened and/or closed between October 1, 2001 and December 31, 2001. Of those seven cases, five (5) cases were mediated, one (1) case was closed without mediating, and one (1) case is pending. Four out of the five mediated cases resulted in written agreements.

Parties	Complaint	Disposition
Former officer vs. BOD	Compliance with bylaws, house rules & declaration	Mediated; agreement reached

Cases handled by MSM (10/1/01 - 12/31/01)

A total of two (2) cases involving condominium disputes were closed between October 1, 2001 and December 31, 2001. In one (1) case mediation was declined, and in one (1) case the parties were able to conciliate without mediation.

Parties	Complaint	Disposition
Tenant vs. BOD	Interpretation of bylaws, house rules & HRS Chapter 514A regarding possible conflict of interest	Mediation declined
Tenant vs. CMA	Dispute involving declaration & faulty plumbing throughout project	Conciliated without mediation

Cases handled by KEO (10/1/01 - 12/31/01)

A total of one (1) case involving a condominium dispute was opened and/or closed between October 1, 2001 and December 31, 2001. The one (1) case was closed without mediating.

Parties	Complaint	Disposition
Owner vs. BOD	Compliance with declaration & bylaws	Mediation declined on Kauai with KEO

(No cases reported by WHMC, KMC, or RICO (10/1/01 – 12/31/01))

Mediation subsidized through the Condominium Education Fund may be obtained through the following providers:

Oahu: Mediation Center of the Pacific, Inc.; 680 Iwilei Rd. #530; Honolulu, 96817; Tel. 521-6767; Website: www.mediatehawaii.org

Maui: Mediation Services of Maui, Inc.; 95 Mahalani St. #26; Wailuku, 96793; Tel. 244-5744; Website: www.mauigateway.com/~msm

West Hawaii: West Hawaii Mediation Center; 65-1279 Kawaihae Rd. #217; Kamuela 96743; Kamuela Tel. 885-5525; Kona Tel. 326-2666; Website: www.whms.org

East Hawaii: Ku'ikahi Mediation Center; 300 W. Lanikaula St.; Hilo 96720; Tel. 935-7844; Website: www.ymcawhawaii.org

Kauai: Kauai Economic Opportunity, Inc.; 2804 Wehe Rd.; Lihue 96766; Tel. 245-4077; Website: none

Complaints against licensees: Regulated Industries Complaints Office; 235 S. Beretania St. 9th Flr.; Honolulu 96813; Tel. 587-3222; Website: www.state.hi.us/dcca/rico

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condominium issues are discussed. Developers, apartment owners, board of directors, condominium managing agents, attorneys, educators, researchers, government officials, and others with condominium concerns participate in the meetings. The responsibilities of the CRC include: registration of condominium projects by developers, condominium association (AOAO) and condominium managing agent (CMA) registrations; and governance, education and research programs funded by the Condominium Education Fund (CEF).

In response to Act 213 (SLH 2000), the CRC directed a substantial portion of its program of work to formulating a workplan and timetable for recodifying the state Condominium Property Regimes law, HRS Chapter 514A. The workplan and timetable is readily available on the Commission's website at www.state.hi.us/hirec. As mandated by the Act, the Commission is submitting a progress report about its recodification efforts in a separate report to the Legislature.

Without compromising consumer protection measures, the CRC continued its efforts to minimize government involvement in condominium governance areas legislatively intended for self governance, and streamlined the registration of condominium projects, AOAOs, CMAs and condominium hotel operators (CHOs).

The CRC also continued its subsidy of condominium education seminars. The subsidy pays a portion of an apartment owner's seminar registration fees for condominium apartment owners from registered AOAOs. The CRC also completed its work to make CEF subsidized mediation services available to neighbor island condominium communities. The Commission now has mediation contracts with the Mediation Center of the Pacific, Inc., Mediation Services of Maui, Inc., Kauai Economic Opportunity, Inc., West Hawaii Mediation Center, and Ku'ikahi Mediation Center. In addition, the CRC implemented its ongoing programs.

Enactment of new laws at the end of the fiscal year impacted the CRC's Advice, Education, and Referral program of work. Condominium board members, apartment owners, CMAs and interested others inquired about the following new laws: mandatory mediation of disputes when an owner or the board requests mediation involving the interpretation or enforcement of the declaration, bylaws, house rules or specified sections of HRS Chapter 514A; developer exemption from providing the developer's public report and abstract to prospective purchasers for time share projects registered under HRS Chapter 514E; exemption for active real estate brokers from the CHO registration and fidelity bond requirements; exemption from the child care home provider notification to the association within 60 days of intent to operate; addition of the Uniform Arbitration Act effective July 1, 2002; amendments to the mandatory seller disclosure law; and other related legislation.

The law requires the Commission to submit to the Legislature annually: (1) a summary of the programs funded from the CEF during the prior fiscal year, (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. This portion of the report includes a summary of the CEF programs that have been funded for the prior fiscal year (2001) and the current fiscal year (2002).

Summary of Programs for Fiscal Year 2001

Recodification of HRS Chapter 514A—Developed and initiated the plan and CEF budget for recodification, including development, recruitment, and hiring of temporary staff member based on Act 213 (SLH 2000) and the 1995 Commission's report to the Legislature, "A Plan to Recodify Chapter 514, Hawaii Revised Statutes, Condominium Property Regime." Held discussions with interested parties, carried out directives of Act 213 (SLH 2000) for the fiscal year. Recodification workplan and timetable available at Commission's website at www.state.hi.us/hirec.

Rule-Making—HAR Chapter 107—Studied and evaluated HAR Chapter 107 and HRS Chapter 514A for rule making, and

considered deregulation without reducing consumer protection. Administer formal rule making process. Research and update new project, AOAO, and CMA registration. Continued SWAT project to reduce or repeal regulatory burdens. Worked with Administration and Licensing Administrator to develop amendments to Chapter 107. Chapter 107 is available at www.state.hi.us/dcca.

Hawaii Condominium Bulletin—Developed, wrote, edited, printed and distributed quarterly bulletin to all registered AOAOs, CMAs, CHOs, and posted on Commission's website. Studied feasibility of providing Bulletin through electronic medium, including electronic distribution prior to hard copy distribution. Planned, developed and provided guest articles on relevant topics. Develop a plan for in-house electronic publication including software determination and training. Developed and included a survey evaluation of Bulletin and included surveys of various other Commission programs.

Rule-Making—HAR Chapter 53, Fees—Monitor and review services provided in relation to fees. Develop drafts of proposed rules and assist in formal rule making process with Licensing Administrator. Implemented, administered, and disseminated information on fee amendments at the May 2000 hearing.

Condominium Project and Developer's Public Reports—Administered registration program. Evaluated the process, records, forms, information documents, and rules. Coordinated with other governmental agencies, attorneys, etc. to ensure expeditious processing and review time. Planned, developed and administered legislative amendments needed. Administered consultant contracts. Updated and amended all project forms and instructions. Implemented plan of providing access to developer's public reports through compact discs (CDs), State library locations, webpage, etc. Implement plan of listing project with current developer's public reports on webpage. Implement plan of electronic administration, including scanning of documents on CDs and computerized project tracking. Study, report and recommend a comprehensive evaluation system on the project registration and review process, including use of evaluation forms by developers and attorneys.

Condominium Association Registration—Administered registration program. Reviewed and monitored program for improvement. Develop a paperless fidelity bond review process. Administered reregistration filing deadline of May 31, 2001 and provided numerous advance communications about the deadline. Study, report, and initiate electronic/computerized/Scantron/bar coding application processing recommendations, or computer generated forms with previous responses for recertification or amendments. Maintained public list of all registered AOAOs for distribution and inclusion in webpage, including, when feasible, scanning of actual registration forms in webpage.

Condominium Managing Agent Registration—Administered registration program. Reviewed and monitored program for improvement and problem resolutions with Licensing Branch. Develop a paperless fidelity bond review process. Administered reregistration program, provided advance communications about reregistration deadline of November 30, 2000. Participated in Batch Renewal Program. Maintained list of all registered CMAs in webpage and made preprinted list available upon request. Include listing information on PB and maintenance of fidelity bond.

Condominium Hotel Operator Registration—Administered registration program. Reviewed and monitored program for improvement and problem resolutions with Licensing Branch. Administered reregistration program, provided advance communications about reregistration deadline of November 30, 2000. Participated in Batch Renewal Program. Listed all registered CHOs in webpage and made preprinted list available upon request. Include listing information on PB and maintenance of fidelity bond. Study and determine sources to locate unregistered CHOs and initiate initial compliance through education. Maintained and distributed start-up kits for CHOs, similar to CMAs. Conducted SWAT review of CHO statute. Recommended and supported legislation to eliminate duplicative regulation of real estate brokers engaged in CHO activity.

Condominium Education Fund (CEF)—Administered fund. Prepared, maintained, and reviewed budget, finance, and records for CEF. Prepared monthly and annual financial statements, budget and administered fund investment. Planned and worked with department to increase

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budget for funding the recodification program, personnel, compensation, and additional educational programs, subject to revenue projections.

Advice, Education, and Referrals—Provided advice, education, and referrals to condominium community, applicants, consumers, licensees, government officials, organizations, and public. Printed and distributed copy of HRS Chapter 514A to all registered AOAOS, CMAs, and CHOs. Study and report on feasibility of providing information and advice on telephonic prerecorded messages. Maintained and improved webpage.

Condominium Mediation and Arbitration Program—Administered mediation programs. Research, develop, and publish brochure on dispute resolution, mediation, arbitration including “trial de novo,” and RICO program, etc. Coordinated joint complaint/mediation program with RICO. Initiated and worked with Mediation Center of the Pacific to provide educational seminars to board of directors, apartment owners, and CMAs on purpose of alternative dispute resolution and mediation. Contracted with other vendors for additional programs on neighbor islands. Continued condominium governance mediation arrangements with providers. Provided periodic reports to CRC on cases submitted for subsidy, which is utilized in education programs, including Condo Bulletin and webpage.

Meetings and Symposium—Planned, coordinated, and conducted monthly CRC meetings. Included schedule of meetings and agendas on webpage.

Legislative Acts and Resolutions—Reviewed and carried out responsibilities of legislative acts and resolutions, amended public copy of HRS Chapter 514A, provided summary of condominium and related acts and resolutions for Commission/staff/Bulletin, etc.

Government and Legislative Participation and Report—Researched, developed and distributed annual report to Legislature on CEF programs and funds; immediately posted on webpage. Provided briefings to legislators and staff; acted as a resource. Attended hearings, provided written and oral testimony on legislative bills and bill tracking. Responded to elected officials, inquiries, complaints, requests for information, etc.

Neighbor Island Outreach—Coordinated and conducted two CRC meetings at neighbor island sites with ERC and LRRC. CRC meetings were convened on Maui in January 2001 and on Kauai in May 2001. Held meetings in collaboration with local boards, HAR, condominium organizations, etc.

Interactive Participation with Organizations—Active participation with Hawaii, Pacific Rim, national and international organizations and government agencies to exchange information and concerns, share education, 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).

Condominium Seminars—Funded seminars for condominium community through contracts with various providers that provide registration fee subsidies for apartment owners of registered AOAOS; encouraged new providers. Continued to administer CEF subsidies for approved seminars including the following: “2001 Legislative Update,” “Covenant Enforcement,” “Fair Housing: 2001 and Beyond” (Oahu, Maui, Hawaii), “Termites/Ground Maintenance,” “Fair Housing,” “Ask the Experts,” and “ABC’s, A Basic Course.” Study and report on the feasibility of a seminar on reserves, particularly the cash flow funding method, collaborate with CAI-Hawaii.

Condominium Specialists Office for the Day—Set up office at various neighbor island locations to meet and discuss condominium concerns. Collaborate arrangements in conjunction with a function of a condominium organization and/or at a condominium organization office.

Condominium Speakership Program—Honored requests for speaking engagements for programs concerning or related to condominium issues.

New Technology Program—Administered in-house and network computer system, including training, purchases, and DCCA and PVLD plans. Studied feasibility of new technology in the storage, printing of developer’s public reports, registration, and public information. Administered webpage with long range plan of including all condominium

information, forms, database, etc. plus online registration.

Condominium Reference Library—Maintained on webpage a catalog of all public reference materials provided to State libraries and office. Maintained materials for condominium reference library at public libraries, office, mediation service providers and neighbor islands. Studied and reported on feasibility of increasing and adding new educational materials at libraries, especially in high CPR concentrated areas; collaborated with CAI-Hawaii, and considered internet reference library system including links with webpage and possible licensing arrangements with national providers such as CAI.

Start-up Kit for New AOAOS and CMAs—Distributed start-up kit to new registered AOAOS, CMAs, and CHOs; including public copy of HRS Chapter 514A and rules, budget and reserves guide, board of directors guides, and past Bulletins.

Cooperative Education, Research, and Administrative Program—Participate in and sponsor cooperative education research and administrative programs.

Division and Department Program—Coordinated activities and programs of mutual concern with PVLD, RICO and DCCA, including Director’s project on deregulation. Review, analyze, and coordinate positions on HRS Chapter 436B with PVLD and AG, as it relates to HRS Chapter 514A. Coordinated joint complaint/mediation program with RICO.

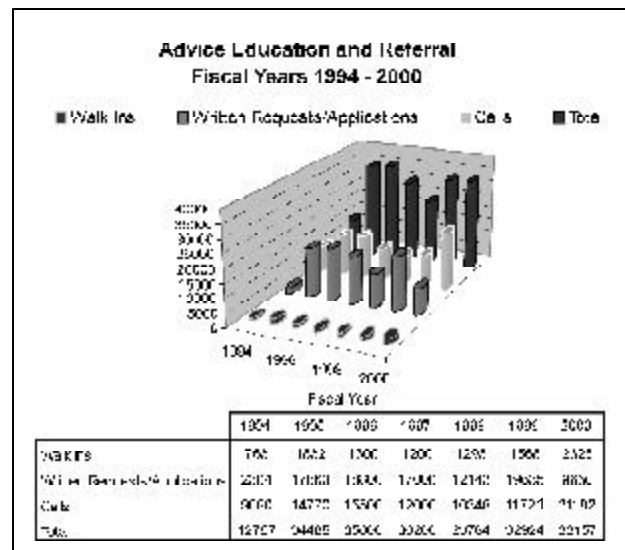
Records Management—Administer and organize all records, reference materials, reports, minutes, legislation, rules, AG opinions, contracts, etc. with applicable laws, including Uniform Information Practices Act and Records Report System. Research options and alternatives for records storage and public information.

CPR Project Workshop and Meetings—Conducted periodic workshops for condominium consultants for purposes of orientation and information. Alternated consultants as workshop leaders and developed curriculum for workshop dates of October 2000 and June 2001. Facilitate a workshop with developers, attorneys, condominium consultants, CMAs, and AOAOS focus groups for purposes of discussing governance issues and how to address the issues early in the life of a CPR, from initial documents to first AOAOS meeting.

Case Law Review Program—Monitored, collected and reported on judgments and decisions in Hawaii, federal, and other state court cases. Reported on governance and development cases; material cases considered for Bulletin.

Limited Equity Cooperatives—Develop forms, procedures and process for Limited Equity Cooperatives, HRS Chapter 421H, within limited jurisdiction of Commission.

Staff and Commissioners Development—Developed and trained REB staff and Commissioners. Participated in training provided by CAI, ARELLO, REEA, CLEAR and other organizations.



REAL ESTATE COMMISSION

2002 MEETING SCHEDULE

Laws & Rules Review Committee – 9:00 a.m.
Education Review Committee – 10:00 a.m.
Condominium Review Committee – 11:00 a.m.

Real Estate Commission – 9:00 a.m.

Wednesday, March 13, 2002 – Kapuaiwa Room

Tuesday, April 9, 2002 – Kapuaiwa Room

Wednesday, May 8, 2002 – Kapuaiwa Room

Friday, June 14, 2002 – **Kauai (location TBA)**

Friday, March 22, 2002 – Kapuaiwa Room

Friday, April 26, 2002 – Kapuaiwa Room

Friday, May 31, 2002 – Kapuaiwa Room

Friday, June 28, 2002 – Kapuaiwa Room

All meetings (unless specifically noted) will be held in the Kapuaiwa Room, HRH Princess Victoria Kamamalu Building located at 1010 Richards Street, Second Floor, Honolulu, Hawaii. Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.state.hi.us/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 call the Executive Officer at 586-2643 to submit your request.

Condominium Education Calendar 2002

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
3/21	TBA	*Ask the Experts	Hale Koa Hotel	CAI-H
4/18	TBA	*Trends in Mediation, Arbitration & Litigation	Hale Koa Hotel	CAI-H
5/11	TBA	*Security	Hale Koa Hotel	CAI-H
6/20	TBA	*Meet the Candidates	Hale Koa Hotel	CAI-H
7/18	TBA	*Legislative Update	Hale Koa Hotel	CAI-H
8/15	TBA	*Aging Community	Hale Koa Hotel	CAI-H
9/19	TBA	*AOAO Monies	Hale Koa Hotel	CAI-H
10/17	TBA	*Almost Free Legal Advice	Hale Koa Hotel	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 AOAO is currently registered with the Real Estate Commission. For full information on the above-listed courses, please call the provider.*

	Provider	Phone	Address
CAI	Community Associations Institute (National)	(703) 548-8600	225 Reinekers Ln #300 Alexandria, VA 22314
CAI-H	Community Associations Institute - Hawaii Chapter	488-1133	P.O. Box 976 Honolulu, HI 96808
CCM	Condominium Council of Maui	879-5266	PO Box 1362 Kihei, HI 96753
HCAAO	Hawaii Council of Associations of Apartment Owners	533-2528	677 Ala Moana Blvd, #401 Honolulu, HI 96813
HSAP	Hawaii State Association of Parliamentarians	488-2489	
HSBA-CLE	Hawaii State Bar Association - Continuing Legal Educ.	537-1868	1132 Bishop Street, Ste 906 Honolulu, HI 96813
IREM	Institute of Real Estate Management Hawaii Chapter No. 34	733-7060 ext. 106	1136 12th Ave, Ste 220 Honolulu, HI 96816
OAC	Oahu Arm Committee	523-6096	91-1030 Kaiheenu Street Ewa Beach, HI 96706
UH-SPP	Special & Professional Programs, College of Continuing Education, University of Hawaii	956-8244	2530 Dole Street Honolulu, HI 96822

Real Estate Branch and Real Estate Commission's web page at: <http://www.state.hi.us/hirec>

Address: 250 S. King St., Rm. 702; Honolulu, HI 96813; Phone: 586-2644

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