SB 92

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Measure Title:	RELATING TO CONDOMINIUM DISPUTE RESOLUTION.
Report Title:	Condominium Association; Dispute Mediation; Appropriation
Description:	Requires certain condominium-related disputes involving an owner and the association to be submitted to mediation. Requires the real estate commission of the State to submit a summary to the legislature detailing which programs were directed at the development of expeditious and inexpensive condominium-related disputes. Repeals section 514B-161, HRS. Authorizes funds from the condominium education trust fund to be used for mediation services. (\$)
Companion:	
Package:	None

Current CPN/JDL, WAM Referral:

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PRESENTATION OF THE REAL ESTATE COMMISSION

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

AND

TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

TWENTY-SIXTH LEGISLATURE Regular Session of 2011

Tuesday, February 8, 2011 9:15 a.m.

TESTIMONY ON SENATE BILL NO. 92, RELATING TO CONDOMINIUM DISPUTE RESOLUTION.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND TO THE HONORABLE CLAYTON HEE, CHAIR, AND MEMBERS OF THE COMMITTEES:

My name is Trudy Nishihara and I serve as the Chairperson of the Real Estate

Commission ("Commission"), and I thank you for the opportunity to present testimony

on Senate Bill No.92, relating to condominium dispute resolution. The Commission has

some concerns about Senate Bill No.92.

 <u>Section 2</u> of Senate Bill No. 92 proposes a new section providing for mandatory mediation; creates a "duty" to mediate in good faith and defines what is included in "good faith"; includes grounds for breach of such duty;
provides procedures for demanding mediation; specifies who may be mediators and limits mediators to non-profit entities contracted with the commission; provides that certain matters excluded from mandatory

mediation may now be submitted to mediation; and appears to rewrite in part section 514B-161, HRS.

The Commission has some concerns with the proposed new section as follows:

- o Subsection (b) may be unnecessary. The current law (section 514B-
- 161(b), HRS) appears to allow all parties to a dispute to agree to submit any propose excluded mediation areas to mediation.
- The proposed articulated "duty" to mediate in good faith may be unnecessary. The Commission understands that this duty is implied in the law.
- Proposed subsection (b) (1) may be inconsistent or conflicting in part with sections 514B-146(d), HRS. Subsection (b) (1) requires all parties in an assessment situation to agree to mediate an excluded matter. This is in contrast to the current law (section 514B-146(d), HRS) which allows an owner to mediate an assessment dispute where the association might not agree to mediate as long as the owner pays the association the full amount claimed by the association;
- Proposed subsection (h) limits mediators to non-profit entities that the Commission contracts to provide low-cost alternative dispute resolution services. There are many other low-cost service providers, which are not non-profit entities, and owners have in the past utilized these other

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services. Subsection (h) proposes to prohibit the use of such other providers.

- Section 3 of Senate Bill No. 92 proposes to require the Commission to expend the Condominium Educational Trust Fund ("CETF") specifically for mediations by the specific inclusion of mediation as an expeditious and inexpensive procedure for resolving association disputes. This proposed amendment is unnecessary. The Commission has historically and for some time, planned, budgeted and procured for such low-cost alternative dispute resolution services with funds from the CETF. See attached excerpts of the Commission's 2010 Annual Report to the legislature and the Governor reporting on the planning, budgeting and expenditure of the CETF for mediation. It should be noted that although as of December 31, 2010 there are approximately 156,444 unit owners in this state, the number of owners and board members utilizing mediation have been consistently and significantly low.
- <u>Section 4</u> proposes to specifically allow the Commission and the Director of Commerce and Consumer Affairs to expend up to a proposed certain amount from the CETF for mediation. The Commission believes this proposed amendment is unnecessary because the Commission as testified earlier, annually plans for, budgets, and procures for and expends monies from the

CETF specifically for mediation for resolving disputes between boards and owners. (See attached expenditure history for CETF funded mediation).

- <u>Section 4</u> amends subsection (d) of 514B-73, HRS, by proposing that the Commission include in its report to the legislature a statement of which programs were directed specifically at the development of expeditious and inexpensive procedures for resolving association disputes. The Commission believes this section is unnecessary because the Commission's Annual Report to the Governor and legislature already provides this statement. A copy of the current statement for FY 2010 is attached. (See <u>http://hawaii.gov/dcca/real/reports/Annual%20Report_2010_final.pdf</u> for the full text of the Commission's Condominium Review Committee Report.)
- Section 5. The Commission has concerns about the proposed deletions on page 8 lines 19-22. Where owners do not prevail against the association in disputes for collecting any delinquent assessments; foreclosing any lien; or enforcing any provision of the governing documents, the condominium law and related rules; owners are assessed the costs and expenses including reasonable attorney's fees incurred by the association for such actions. However, if an owner tries to resolve the disputes in good faith through mediation or arbitration, the law does not require the owner to pay the association for any expenses the association incurred related to any such court actions. For these situations, the proposed deletions eliminate the

> owners' non payment of associations' costs and expenses. As such, the Commission is concern that such a proposal impacts negatively on the use of mediation and creates an uneven playing field for owners in these situations.

 <u>Section 6</u> proposes to delete the option of having a dispute not resolved by mediation heard by the Department of Commerce and Consumer Affairs' hearings officer. As the Office of Administrative Hearings ("OAH") administers that program, the Commission defers to the testimony OAH may provide on this matter.

Until the discussed concerns are addressed, the Real Estate Commission reserves its support of the passage of Senate Bill No. 92. Thank you for the opportunity to testify.

<u>Pro Forma Condominium Education Trust Fund (CETF) Budget and Expenditures for Fiscal Years 2006-</u> 2010 (By Fiscal Quarter) (Unofficial; Subject to Audit)

For the Fiscal Year Ending June	e 30, 2010						
Condominium Med/Arbitration Program	20,000.00	10,300	(9,700)	20,000	10,300	(9,700)	49%
For the Fiscal Year Ending Ju	une 30, 200	09					
Condominium Med/Arbitration Program	20,000.00	11,000	(9,000)	20,000	11,000	(9,000)	45%
For the Fiscal Year Ending Ju Condominium Med/Arb Program	18,333	10,750	(7,583)	20,000	10,750	(9,250)	46%
For the Fiscal Year Ending June	30 2007						
Condominium Mediation and Arbitration Pro		8,800	(11,200)	44%	20,000	11,200	56%
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For the Fiscal Ending June 30	, 2006		on an a gana ay filin ay nanadanana an a	nggggggatharan akin nonunggangg Alar gunna	no componente de transmissione administra	neren en e	gay the staget to get a staget of get and get and

Notes: First column is the budgeted amount. Second column is the expended amount. Third column is the budget remaining after expenditures for mediation services. Sixth column is the budgeted unexpended amount remaining at the close of the fiscal year. Review these figures with attached Chart 16 of the Commission's 2010 Annual Report (Condominium Review Committee Report) reporting the total number of requests for mediation made in each fiscal year.

CONDOMINIUM REVIEW COMMITTEE (CRC) REPORT

For fiscal year 2010, under the leadership of Chair Michele Loudermilk and Vice Chair Mark Suiso, the CRC, continued with the implementation challenges of Chapter 514B, Hawaii Revised Statutes (HRS), including the challenges of new legislation. During this same period, the CRC continued with the administration of the original condominium law, Chapter 514A, HRS, as well as other planned programs of work.

The CRC is a Commission standing committee that holds monthly public meetings in which condominium issues are presented, discussed, examined, and considered. It is a working committee that handles "nuts and bolts" issues. Developers, apartment owners, boards 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 registrations; and governance, education and research programs, inclusive of the programs funded under the Condominium Education Trust Fund (CETF).

The law allows the Commission to expend monies from the CETF funds for educational purposes which include financing or promoting:

- 1. Education and research in the field of condominium management, condominium project registration, and real estate, for the benefit of the public and those required to be registered under this chapter;
- 2. The improvement and more efficient administration of associations; and
- 3. Expeditious and inexpensive procedures for resolving association disputes.

The Commission may use any and all moneys in the CETF for purposes consistent with the above. Additionally, 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; (3) a copy of the budget for the current fiscal year, including summary information on programs which were funded or are to be funded; (4) a statement of which programs were directed specifically at the education of condominium owners; (5) summary information on programs that were funded or are to be funded and the target audience for each program; and (6) a budget for the current fiscal year that includes a line item reflecting the total amount collected from condominium associations. As noted in this report many of the funded programs for this fiscal year and many of the funded programs for the next fiscal year have been modified in part or postponed in response to the State's current economic challenges and budgetary constraints.

FY 2010 PROGRAM OF WORK

NOTE: The text that is bolded are for matters that were directed specifically at the education of condominium owners (although many others also benefitted from the education).

Condominium Laws and Education - Concurrently with the administration of Chapter 514A. HRS, the Commission participated in the legislative process to fine-tune Chapter 514B, HRS, effective July 1, 2006, and the implementation of this new law. With the help of stakeholder organizations and volunteers, the Commission continued the development and refinement of appropriate new and amended forms (including web based online fillable forms), instructions, informational sheets, procedures and evaluative processes, curriculum, materials, handouts, and power point presentations for use in statewide educational efforts. The Commission continued with statewide promotion and delivery of Commission-subsidized seminars. In May, the Commission sponsored a seminar based on its two new informational booklets, "Condominium Property Regimes: Owner Rights and Responsibilities" and "Condominium Property Regimes: Board Members Powers and Duties". Twentyseven people attended this free 2 1/2 hour seminar in the State Capitol Auditorium presented by a procured practitioner of condominium law. Oahu's PEG access provider, Olelo, video taped the presentation and plans were made to rebroadcast the presentation on Olelo. Such educational efforts are 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.

Pursuant to Subchapter 5 of Chapter 201, Title 16, Hawaii Administrative Rules, the CRC issued three informal non-binding interpretations of the provisions of Chapter 514B, HRS, and made them available to interested parties directly and online at the Commission's web-

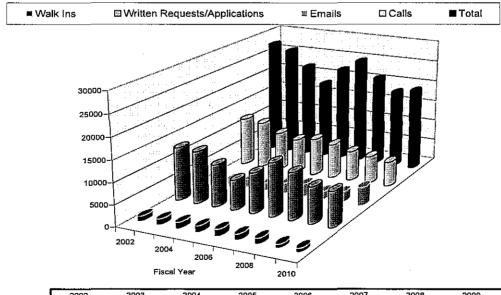


Chart 15. Condominium Advice, Education, and Referral

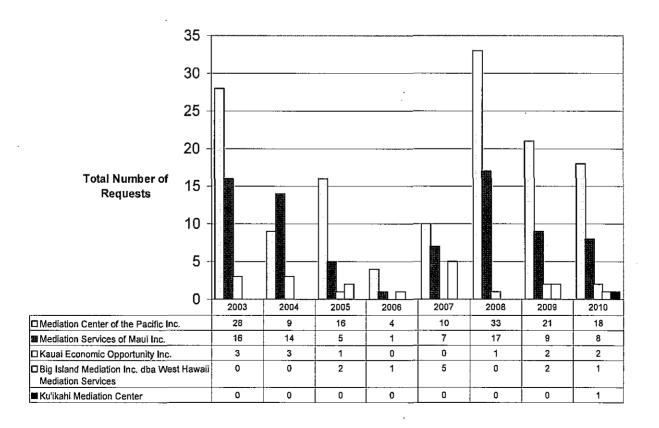
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Walk Ins	1229	1395	1480	1473	1551	1388	1322	874	875
Written Requests/Applications	12449	12217	9819	7027	9461	12535	11035	8566	8300
Emails		1259	1819	1812	2487	2940	1890	2394	4295
Calls	11387	10971	9050	8064	8863	8157	7014	6459	5783
Total	27067	25842	22168	18376	22362	25020	21261	18293	19253

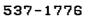
Condominium Mediation and Arbitration Program - The Commission continued to subsidize mediation programs on four islands and work with various mediation providers, including the Mediation Center of the Pacific on Oahu to provide educational seminars about alternative dispute resolution and mediation for boards of directors, apartment owners and CMAs. Staff collected statistical information for education and Annual Report purposes (See Chart 16). Additionally, this past fiscal year continued the availability of evaluative mediation as an additional option to consumers for condominium dispute resolution. During FY 2010, the Commission renewed contracts with mediation providers for an additional year. Staff updated the Commission mediation brochure to reflect changes in the law and for distribution to the condominium community on the Commission website.

Condominium Dispute Resolution Pilot Program – Staff continued to assist the Administrative Hearings Office in education and awareness programs regarding "condominium court." This pilot program was extended by the 2009 Legislature and will end on June 30, 2011.

Condominium Association Registration – The Commission administered the condominium association registration program, including a review of submitted applications and the assessment of Commission registration policies and procedures. It also considered appeals, subpoenas, and requests for records under Office of Information Practices rules and procedures. For FY 2010, the Commission continued its biennial condominium association registration. In this non-registration year, the Commission continued to process late registering condominium associations for a total, through June 2010, of 1,634 condominium projects, representing









P.O. Box 976 Honolulu, Hawaii 96808

February 4, 2011

Honorable Rosalyn H. Baker Honorable Brian Taniguchi Commerce and Consumer Protection 415 South Beretania Street Honolulu, Hawaii 96813

Re: SB 92 SUPPORT

Dear Chair Baker, Vice-Chair Taniguchi and Committee Members:

I chair the CAI Legislative Action Committee. CAI supports SB 92. That said, certain amendments may be appropriate.

First, though, it is important to specify why an initiative like SB 92 is important. It is important because the legislature should allow the "pilot program" called condo court to sunset this year. Also, the mediation law should be amended whether condo court sunsets or not.

It is an objectively provable fact that the Office of Administrative Hearings has only issued sixteen condo court opinions since July 2, 2004. That is about 2.5 per year.

Few of those decisions produced any value to a consumer. The decisions are posted on the OAH website, so this assertion can be readily verified.

CAI takes the position that the condo court approach has been given more than a fair chance to succeed and that the time to try something different is at hand. Please.

The different thing to try is subsidizing commercial quality mediation through the condominium education trust fund. The Real Estate Commission may adopt a defensive posture about this bill, but it really shouldn't. The Commission should work with CAI and others.

Honorable Rosalyn H. Baker Honorable Brian Taniguchi February 4, 2011 Page 2 of 6

The Commission may say that the Commission imposes no limitation on the **type** of mediation used, but that is not really the point. The point is that commercial mediators get paid, so more money has to go in to the condominium education trust fund.

Recent discussions with Michele Loudermilk, Esq., who chairs the Commission's Condominium Review Committee, suggest that some transitional period to amend the Hawaii Administrative Rules might be indicated in order to increase the annual registration fee <u>if</u> the approach under discussion is to be adopted. Hawaii Revised Statutes section 514B-72(a) reads as follows:

\$514B-72 Condominium education trust fund; payments by associations and developers. (a) Each project or association with more than five units, including any project or association with more than five units subject to chapter 514A, shall pay to the department of commerce and consumer affairs a condominium education trust fund fee within one year after the recordation of the purchase of the first unit or within thirty days of the association's first meeting, and thereafter, on or before June 30 of every odd-numbered year, as prescribed by rules adopted pursuant to chapter 91.

Thus, sections 3 and 4 of SB 92 may be superfluous. Alternative language is presented in an appendix to this testimony. It is hoped that the Commission will be supportive of positive change to serve consumers.

The Commission has recently suggested that there are 156,444 registered condominium units in Hawaii. If the registration fee were increased fifteen <u>cents</u> per year per unit, that nominal increase would yield \$23,466.60 per year that could be used to subsidize commercial quality mediations.

The Commission may say that mediation is underutilized, but that too misses the point. Most condominium mediation is done at non-profit centers that contract with the Commission and rely on volunteers.

I am one of those volunteers, so no disrespect is intended when the point is made that the quality of the mediation experience is uneven when the mediators are volunteers. I also represent clients in such mediations, and there is a substantial difference between mediations conducted by the average volunteer and mediations conducted by experienced professionals who have subject matter expertise. Honorable Rosalyn H. Baker Honorable Brian Taniguchi February 4, 2011 Page 3 of 6

CAI often hears that legislators receive complaints from constituents about condominiums. That is why CAI is proposing a proven and effective approach to conflict resolution. Not all mediation is equal, so the suggestion is to provide subsidized access to *commercial quality* mediation.

Mediation is not magic, but quality mediation is extremely informative and beneficial. It has the potential to be healing as well. The skill and experience of the mediator is significant in that process.

Another factor of significance, though, is good faith participation in mediation. The parties should have an incentive to make the most of the mediation opportunity.

SB 92 seeks to remove disincentives to good faith participation in mediation. <u>Current law creates a disincentive</u> to mediation in good faith.

Current law makes "mediation" a jurisdictional hoop to jump through before getting to condo court. Even if condo court remains, the law should change.

Current law allows an owner to essentially sleep through one mediation session, and then to pursue even the most patently frivolous claims without any consequence. <u>That contributes to</u> the climate of conflict within the condominium industry.

The legislature can be responsive to constituent concerns by providing subsidized access to commercial quality mediation. H.R.S. Section 514B-71 currently provides as follows:

[\$514B-71] Condominium education trust fund. (a) The commission shall establish a condominium education trust fund that the commission may use for educational purposes. Educational purposes shall include financing or promoting:

 Education and research in the field of condominium management, condominium project registration, and real estate, for the benefit of the public and those required to be registered under this chapter;
The improvement and more efficient administration of associations; and

(3) Expeditious and inexpensive procedures for resolving association disputes.

(b) The commission may use any and all moneys in the condominium education trust fund for purposes consistent with subsection (a). [L 2005, c 93, pt of \$3]

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p.4

Honorable Rosalyn H. Baker Honorable Brian Taniguchi February 4, 2011 Page 4 of 6

Thus, resolving association disputes is one of only three specified purposes for the condominium education trust fund. That fund is precisely the vehicle for assisting consumers.

The Commission's budget for mediation is based on a model in which unpaid volunteers provide the service. CAI contends that the budget should be based on a model in which professional mediators, who get paid, will provide the service.

CAI contends that professional mediators will provide a service that is more beneficial to consumers. Consumers lack access to such mediators because cost is a barrier.

If the legislature enables consumers to access commercial quality mediation, at subsidized rates, by using an existing trust fund designed for the purpose of providing expeditious and inexpensive procedures for resolving association disputes, then legislators will have an answer to consumers who call their offices.

It is assumed that the legislature does not prejudge the merits of any particular dispute, so the procedures called for by H.R.S. Section 514B-71(a)(3) (printed on the prior page) should not tilt in any particular direction. Still, those procedures should be useful.

The lesson to be learned from years of experience is that conflict is endemic to the condominium setting. The legislature can help to some extent, but the nature of owning real estate encumbered by a Declaration of Condominium Property Regime, By-Laws and House Rules is fundamentally problematic and not all problems can be solved by the legislature.

SB 92 proposes to re-order the incentives to mediate condominium disputes. Current law allows owners to pursue personal vendettas without experiencing any consequence.

If the mediation opportunity is made robust and consequential, then owners and associations can make best efforts to resolve their differences amicably. Failing that, there are the courts.

Owners who prevail in litigation can be awarded their reasonable attorney's fees. That is as it should be.

Honorable Rosalyn H. Baker Honorable Brian Taniguchi February 4, 2011 Page 5 of 6

The anomaly in current law, though, is that the playing field is uneven. An owner who asserts even the most ridiculous claim and loses can be shielded from an award of attorney's fees if he or she merely sits through one single "mediation" session with a volunteer mediator of unpredictable skill.

There should be an <u>even</u> playing field; but CAI does not expect to achieve that. CAI does, however, respectfully request that owners benefit from a safe harbor provision which distinguishes between meritorious and non-meritorious claims.

Thus, SB 92 provides that "the court may consider factors including, without limitation, the importance of the issue raised by the owner against the association, the effect of the litigation on the common fund and association operations, or any effort made by the owner to resolve the dispute, including any written settlement offer or the mediation of any matter within the scope of section 514B- ." This remains a substantial safe harbor provision.

The shift between current law and SB 92, then, is that the cynical act of sitting idly through one single "mediation" session will no longer license the pursuit of non-meritorious claims. It is important to make that change.

Thus, even if condo court survives, it is still appropriate to address the fact that the current "mediation" statute is actually skewed to incentivize owners to regard mediation as a pro forma and essentially meaningless predicate exercise that confers unwarranted protection. The "mediation" law should promote mediation.

If other remedies are wanted, the provision of such remedies should not work against the mediation opportunity. Current law actually works against meaningful and good faith participation in mediation.

Criticism of placing the words "good faith" into the statute, however, is easy to address. SB 92 was written to be consistent with the final sentence in the existing H.R.S. Section 514B-157; but alternative language in the appendix omits those words from the proposed new language.

Similarly, the Commission has objected to the words "nonprofit." Those words are omitted in the appendix. Honorable Rosalyn H. Baker Honorable Brian Taniguchi February 4, 2011 Page 6 of 6

The Commission has also suggested that language proposed in SB 92 is in conflict with existing H.R.S. Section 514B-146(d). That can only be true if existing law contains such a conflict because the language in question is consistent with current law.

H.R.S. Section 514B-161(b)(2) <u>presently</u> excepts "Actions to collect assessments" from mandatory mediation. The Commission should know that. H.R.S. Section 514B-146(d) provides a <u>post-</u> <u>payment</u> mediation remedy, and nothing in SB 92 is intended to affect H.R.S. Section 514B-146(d). Still, language in the appendix should address the Commission's apparent concern.

Please note that the appendix will be sent as a separate document.

Very truly yours, Phili

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: Yes Submitted by: Philip Nerney Organization: CAI Address: 737 Bishop Street, Suite 2780 Honolulu, Hawaii 96813 Phone: 808 537-1777 E-mail: <u>psnerney@yahoo.com</u> Submitted on: 2/6/2011

Comments: Appendix to CAI testimony in support of SB 92 is attached. Amendments are proposed.

APPENDIX TO CAI TESTIMONY/SB 92

CAI PROPOSES THE FOLLOWING AMENDMENTS TO SB 92. PROPOSED STATUTORY MATERIAL TO BE OMITTED FROM SB 92 IS BRACKETED, APPEARS IN ITALICS AND IS COLORED RED. PROPOSED NEW LANGUAGE APPEARS IN BOLD AND IS COLORED BLUE.

S.B. NO.

92

THE SENATE TWENTY-SIXTH LEGISLATURE, 2011 STATE OF HAWAII

A BILL FOR AN ACT

RELATING TO CONDOMINIUM DISPUTE RESOLUTION

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that disputes within condominium communities arise from many causes and multiple forums for dispute resolution will benefit both condominium associations and owners. While the courts are available to resolve conflicts, condominium law should provide incentives for the meaningful and good faith use of alternative dispute resolution mechanisms.

A requirement to mediate certain condominium-related disputes is an effective way to create a forum for parties in conflict to carefully consider the risks and benefits that may be associated with the exercise of other remedies such as litigation or arbitration.

The legislature also finds that traditional exceptions to mandatory mediation, including matters relating to the collection of assessments, actions seeking equitable relief that involve threats to persons or property, personal injury actions, and certain actions that might prejudice insurance coverage, should be preserved in order to protect essential operational and governance requirements of condominiums and to protect other valuable rights.

The legislature also finds that the condominium education trust fund should be used to, among other things, facilitate access to mediation services.

SECTION 2. Chapter 514B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"<u>§514B-</u> <u>Mediation.</u> (a) Any dispute involving an owner and the association that concerns the interpretation or enforcement of the association's declaration, bylaws, or house rules or a matter involving part VI shall be submitted to mediation, except as provided in subsection (b).

(b) The following types of disputes shall not be submitted to mediation without the written agreement of all parties to the dispute:

(1) Matters relating to the collection of assessments; provided that an owner who first pays the full amount claimed by the association shall be entitled to exercise the remedies provided for in section 514B-146(d);

(2) Actions seeking equitable relief involving threatened property damage or the health or safety of association members or any other person;

(3) Claims for personal injury; or

(4) Actions involving more than \$2,500 where insurance coverage for defense or indemnification under a policy of insurance procured by or for the association would be prejudiced by participation in mediation.

(c) An owner or the association shall have the duty to mediate [*in good faith*] all matters within the scope of subsection (a) upon receipt of a written demand for mediation by the other party to the dispute. The demand for mediation shall specify the portion or portions of the declaration, bylaws, house rules, or provisions under part VI to be interpreted or enforced and the relief sought by the party making the demand.

(d) The failure, neglect, or refusal of an owner or the association to agree to mediation within thirty days after receipt of a demand for mediation that complies with the requirements of subsection (c) shall be deemed to be a breach of the duty to mediate.

(e) The duty to mediate shall be satisfied by meeting with a mediator within sixty days after receipt of a demand for mediation that complies with the requirements of subsection (c)*f*; provided that meeting with a mediator shall not, by itself, demonstrate that mediation in good faith has occurred].

(f) Any breach of the duty to mediate, as described in subsections (d) and (e), may be considered by a court or by an arbitrator when ruling upon a motion for an award of reasonable attorneys' fees.

(g) The owner and the association each shall bear the respective fees and costs of participation in mediation under this section, unless the parties agree otherwise in writing.

(h) Any mediation under this section shall be conducted in the county where the condominium is located *[, under the authority of a non-profit entity that has contracted with the commission to provide low-cost alternative dispute resolution services, unless the parties agree otherwise in writing].*

(i) This section shall be without prejudice to the right of any party to seek any informal interpretation from the commission pursuant to subchapter 5 of chapter 201 of title 16 of the Hawaii Administrative Rules."

[SECTION 3. Section 514B-71, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The commission shall establish a condominium education trust fund that the commission may use for educational purposes. Educational purposes shall include financing or promoting:

(1) Education and research in the field of condominium management, condominium project registration, and real estate, for the benefit of the public and those required to be registered under this chapter;

(2) The improvement and more efficient administration of associations; and

(3) Expeditious and inexpensive procedures for resolving association disputes[-], including mediation as described in section 514B-..."

SECTION 4. Section 514B-73, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

year from the condominium education trust fund toward mediation services authorized under section 514B-_."

2. By amending subsection (d) to read:

"(d) The commission shall annually submit to the legislature, no later than twenty days prior to the convening of each regular session:

(1) A summary of the programs funded during the prior fiscal year and the amount of money in the fund, including a statement of which programs were directed specifically at the education of condominium owners[;] and a statement of which programs were directed specifically at the development of expeditious and inexpensive procedures for resolving association disputes; and

(2) A copy of the budget for the current fiscal year, including summary information on programs that were funded or are to be funded and the target audience for each program. The budget shall include a line item reflecting the total amount collected from condominium associations."]

SECTION 3. Section 514B-72(a), Hawaii Revised Statutes, is amended to read as follows:

§514B-72 Condominium education trust fund; payments by associations and developers. (a) Each project or association with more than five units, including any project or association with more than five units subject to chapter 514A, shall pay to the department of commerce and consumer affairs a condominium education trust fund fee within one year after the recordation of the purchase of the first unit or within thirty days of the association's first meeting, and thereafter, on or before June 30 of every oddnumbered year, as prescribed by rules adopted pursuant to chapter 91; <u>provided that the</u> <u>condominium education trust fund fee shall be</u> <u>per unit per year until such rules are</u> <u>amended subsequent to July 1, 2011.</u>

SECTION 4. Section 514B-72(b), Hawaii Revised Statutes, is amended to read as follows:

(b) Each developer shall pay to the department of commerce and consumer affairs the condominium education trust fund fee for each unit in the project, as prescribed by rules adopted by the director of commerce and consumer affairs pursuant to chapter 91_{-2} provided that the condominium education trust fund fee shall be <u>s</u> per unit per vear until such rules are amended subsequent to July 1, 2011. The project shall not be registered and no effective date for a developer's public report shall be issued until the payment has been made.

SECTION 5. Section 514B-157, Hawaii Revised Statutes, is amended to read as follows:

"[[]§514B-157[]] Attorneys' fees, delinquent assessments, and expenses of enforcement. (a) All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the association for:

(1) Collecting any delinquent assessments against any owner's unit;

(2) Foreclosing any lien thereon; or

(3) Enforcing any provision of the declaration, bylaws, house rules, and this chapter, or the rules of the real estate commission;

against an owner, occupant, tenant, employee of an owner, or any other person who may in any manner use the property, shall be promptly paid on demand to the association by such person or persons; provided that if the <u>association is not the prevailing party with respect</u> to claims upon which the association takes any <u>court</u> action [are not substantiated], all costs and expenses, including reasonable attorneys' fees, incurred by any such person or persons as a result of the <u>court</u> action [of] <u>taken by</u> the association, shall be promptly paid on demand to such person or persons by the association.

(b) If [any-claim by] an owner is [substantiated] the prevailing party in any court action against an association, any of its officers or directors, or its board to enforce any provision of the declaration, bylaws, house rules, or this chapter, then all reasonable and necessary expenses, costs, and attorneys' fees incurred by an owner shall be awarded to such owner; provided that no such award shall be made in any derivative action unless:

(1) The owner first shall have demanded and allowed reasonable time for the board to pursue such enforcement; or

(2) The owner demonstrates to the satisfaction of the court that a demand for enforcement made to the board would have been fruitless.

If [any claim by] an owner is not [substantiated] the prevailing party in any court action against an association, any of its officers or directors, or its board to enforce any provision of the declaration, bylaws, house rules, or this chapter, then all reasonable and necessary expenses, costs, and attorneys' fees incurred by [an] the association shall be awarded to the association[; unless before filing the action in court the owner has first submitted the claim to mediation, or to arbitration under subpart D, and made a good faith effort to resolve the dispute under any of those procedures.]; provided that, when determining the reasonableness and the necessity of expenses, costs, and attorneys' fees incurred by the association, the court may consider factors including, without limitation, the importance of the issue raised by the owner against the association, the effect of the litigation on the common fund and association operations, or any effort made by the owner to resolve the dispute, including any written settlement offer or the mediation of any matter within the scope of section 514B- ."

SECTION 6. Section 514B-161, Hawaii Revised Statutes, is repealed.

["**§514B-161** Mediation; condominium management dispute resolution; request for hearing; hearing. (a) If a unit owner or the board of directors requests mediation of a dispute involving the interpretation or enforcement of the association's declaration, bylaws, or house rules, or a matter involving part VI, the other party in the dispute shall be required to participate in mediation. Each party shall be wholly responsible for its own costs of participating in mediation, unless at the end of the mediation process, both parties agree that one party shall pay all or a specified portion of the mediation costs. If a unit owner or the board of directors refuses to participate in the mediation of a particular dispute, a court may take this refusal into consideration when awarding expenses, costs, and attorneys' fees.

(b) Nothing in-subsection (a) shall be interpreted to mandate the mediation of any dispute involving:

(1) Actions seeking equitable relief involving threatened property damage or the health or safety of association members or any other person;

(2) Actions to collect-assessments;

(3) Personal injury-claims; or

(4) Actions against an association, a board, or one or more directors, officers, agents, employees, or other persons for amounts in excess of \$2,500 if insurance coverage under a policy of insurance procured by the association or its board would be unavailable for defense or judgment because mediation was pursued.

(c) If any mediation under this section is not completed within two months from commencement, no further mediation shall be required unless agreed to by the parties.

(d) If a dispute is not resolved by mediation as provided in this section, including for the reason that a unit owner or the board of directors refuses to participate in the mediation of a particular dispute, any party to that proposed or terminated mediation may file for arbitration no sooner than thirty days from the termination date of the mediation; provided that the termination date shall be deemed to be the earlier of:

(1) The last date the parties all met-in-person with the mediator;

(2) The date that a unit owner or a board of directors refuses in writing to mediate a particular dispute; or

(3) Thirty days after a unit owner or a board of directors receives a written or oral request to engage in mediation and mediation does not occur within fifty-one days after the date of the request.

(e) If a dispute is not resolved by mediation as provided in subsection (a), including for the reason that a unit owner or the board of directors refuses to participate in the mediation of a particular dispute, any party to that proposed or terminated mediation may file a request for a

hearing with the office of administrative hearings of the department of commerce and consumer affairs, as follows:

(1) The party requesting the hearing shall be a board of directors of a duly registered association or a unit owner that is a member of a duly registered association pursuant to section 514B-103;

(2) The request for hearing shall-be filed within thirty days from the termination date as specified in writing by the mediator; provided that the termination date shall be deemed to be the earlier of:

(A) The last date the parties all met in person with the mediator;

(B) The date that a unit owner or a board of directors refuses in writing to mediate a particular dispute; or

(C) Thirty days after a unit owner or a board of directors receives a written or oral request to engage in mediation and mediation does not occur within fifty one days after the date of the request;

(3) The request for hearing shall name one or more parties in the proposed or terminated mediation as an adverse party and identify the statutory provisions in dispute; and

(4) The subject matter of the hearing before the hearings officer may include any matter that was the subject of the mediation pursuant to subsection (a); provided that if mediation does not first occur, the subject matter hearings officer shall include any matter that was identified in the request for mediation.

(f)-For purposes of this section, the office of administrative hearings of the department of commerce and consumer affairs shall accept no more than thirty requests for hearing-per-fiscal year under this section.

(g) The party requesting the hearing shall pay a filing fee of \$25-to-the department of commerce and consumer affairs, and the failure to do so shall result in the request for hearing being-rejected for filing. All other parties shall file a response, accompanied by a filing fee of \$25, with the department of commerce and consumer affairs within twenty days of being served with the request for hearing.

(h) The hearings officers appointed by the director of commerce and consumer affairs pursuant to section 26-9(f) shall have jurisdiction to review any request for hearing filed under subsection (e). The hearings officers shall have the power to issue subpoenas, administer oaths, hear testimony, find facts, make conclusions of law, and issue written decisions that shall be final and conclusive, unless a party adversely affected by the decision files an appeal in the circuit court under section 91–14.

(i) The department of commerce and consumer affairs' rules of practice and procedure shall govern all proceedings brought under subsection (e). The burden of proof, including the burden of producing the evidence and the burden of persuasion, shall be upon the party initiating the proceeding. Proof of a matter shall be by a preponderance of the evidence.

(j) Hearings to review and make determinations upon any requests for hearings filed under subsection (e) shall commence within sixty days following the receipt of the request for hearing. The hearings officer shall issue written findings of fact, conclusions of law, and an order as expeditiously as practicable after the hearing has been concluded.

(k)-Each party to the hearing shall bear the party's own costs, including attorney's fees, unless otherwise ordered by the hearings officer.

(l) Any party to a proceeding brought under subsection (e) who is aggrieved by a final-decision of a hearings officer may apply for judicial review of that decision pursuant to section 91-14; provided that any party seeking judicial review pursuant to section 91-14 shall be responsible for the costs of preparing the record on appeal, including the cost of preparing the transcript of the hearing.

(m) The department of commerce and consumer affairs may adopt rules and forms, pursuant to chapter 91, to effectuate the purpose of this section and to implement its provisions."]

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2011.

INTRODUCED BY:

Report Title:

Condominium Association; Dispute Mediation; Appropriation

Description:

Requires certain condominium-related disputes involving an owner and the association to be submitted to mediation. Requires the real estate commission of the State to submit a summary to the legislature detailing which programs were directed at the development of expeditious and inexpensive condominium-related disputes. Repeals section 514B-161, HRS. Authorizes funds from the condominium education trust fund to be used for mediation services.



February 4, 2011

TESTIMONY SB 92

SUPPORT

Hawaii First is the third largest association management company in Hawaii and regularly conducts association meetings. It is important that cost effective and productive alternatives be provided owners and associations to resolve disputes. As an industry leader, our company sees every day disputes between owner/associations. Cost effective, productive, and fair ways need to be available. The following are available today:

- ✓ <u>Meetings with the Board</u>. Associations have internal dispute resolution procedures. Many disputes are resolved at this level.
- ✓ <u>Mediation</u>: The type mediation commonly used today is facilitative mediation. An independent mediator trained in mediation skills but lacking the professional knowledge of our industry tries to get each side to compromise. Often it is not possible. Facilitative mediation is designed to get each side to "talk it out", but often the mediator is not skilled in the industry practices or law. Rarely is a matter resolved through facilitative mediation.
- ✓ <u>Non Binding Arbitration</u>: After mediation, owners or the association may file for a non binding arbitration. In this case an arbitration award of finding is issued. Either side may reject the award and file legal action. It gives both parties an independent finding. It is less expensive than going to court but still expensive and time consuming.
- \checkmark <u>Court</u>: We all know that it is very expensive and slow.
- ✓ <u>SB92</u>: SB92 promotes evaluative mediation. Evaluative mediation requires that a mediator be knowledgeable in industry law and practices. Evaluative mediation allows the mediator to opine on his view of each case. It is less expensive than arbitration or court and will result in each side having a fair hearing by an unbiased but knowledgeable mediator. The real estate commission argues that the current law permits evaluative mediation but SB 92 clearly identified is availability and allows the commission to use funds for professional trained mediators. Through this bill owners and associations alike will benefit by an fair impartial process that will be faster and cheaper for all.

I support SB 92.

Warmest aloha,

Richard Emery President





February 5, 2011

Senator Roslyn Baker, Chair Senator Brian Taniguchi, Vice-Chair Senate Committee on Commerce & Consumer Protection

Senator Clayton Hee, Chair Senator Maile Shimabukuro, Vice-Chair Senate Committee on Judiciary & Labor

Re: SB 92 Condo. Dispute Resolution (Mediation/DCCA Adm. Hearings) Hearing: Tuesday, Feb. 8, 2011, 9:15 a.m., Conf. Rm. #229

Chairs Baker & Hee, Vice-Chairs Taniguchi & Shimabukuro and Members of the Joint Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO).

HCAAO has always supported programs that encouraged quick and inexpensive resolution of disputes between condominium unit owners and their boards. Therefore we support the mediation program described in this bill as well as the DCCA administrative hearings that will be eliminated in Section 6 of this bill. We urge this Committee to amend this bill by deleting Section 6 in its entirety.

When the DCCA administrative hearings were initially adopted, it was a 2-year pilot program; however, because of problems in 2006 associated with the recodification of HRS 514A, i.e., enactment of HRS 514B in 2 separate years, through no fault of anyone, the program was inadvertently repealed when HRS 514A was repealed and had to be corrected. It took two sessions to make the corrections that resulted in reinstatement of that program, which was intended to provide quick, economical resolution of disputes between unit owners and their boards when mediation failed and it has only been in operation since 2009.

While I am hopeful that the mediation program described in this bill will promote resolution of disputes, the adoption of that program should not result in the elimination of the DCCA administrative hearings, which have been and continue to be used to resolve disputes between unit owners and their boards. The difference SB92 Condo. Dispute Resolution Senate Joint Committees on Commerce & Consumer Protection and Judiciary and Labor February 5, 2011 Page 2 of 2

between the two programs is that with mediation, the parties are able to reach a mutually acceptable resolution with the assistance of a professionally trained mediator. If, however, mediation does not result in a resolution (and an attempt to mediate is a pre-requisite to the DCCA administrative hearings], the DCCA hearings officer will determine who would prevail on the issues in dispute.

The cost of the DCCA administrative hearings are paid from the Condominium Education Fund, which was established for the sole purpose ¹of educating Boards and association members as to their rights and obligations and to provide alternative dispute resolution programs so that they could avoid the time and expense to litigate their dispute.

Since there would be no additional cost to retain the DCCA administrative hearings while implementing the mediation program and since the mediation program would be a pre-requisite to the DCCA administrative hearings so that there would not be any conflicts between the 2 programs, we respectfully ask that you amend this bill by deleting Section 6 and then pass out the amended version.

Thank you for the opportunity to testify.

le Symmer Jane Sugimura

Jane Sugimu President

¹ The Condo Education Fund was established by the legislative so as to avoid the notorious "condo wars" that were being litigated in the circuit courts in the early 1990's , which resulted in huge expenses to the associations, their unit owners, the boards and their insurance carriers.

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Tim Baier Organization: Pearl Regency Home Owners Association Address: 98-402 Koauka LP Aiea, HI Phone: E-mail: <u>timlid.baier@att.net</u> Submitted on: 2/7/2011

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Comments:

From: Sent: To: Cc: Subject:

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mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 5:45 PM CPN Testimony naomi@certifiedhawaii.com Testimony for SB92 on 2/8/2011 9:15:00 AM

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Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Naomi Suzuki Organization: Certified Management Address: 3179 Koapaka Street Honolulu, HI Phone: 808-837-5223 E-mail: <u>naomi@certifiedhawaii.com</u> Submitted on: 2/5/2011

Comments:

From: Sent: To: Cc: Subject: mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 12:24 AM CPN Testimony emmatsumoto@hotmail.com Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Eric M.Matsumoto Organization: Mililani Town Association Address: 95-303 Kaloapau St. Mililani, HI Phone: 282-4324 E-mail: <u>emmatsumoto@hotmail.com</u> Submitted on: 2/5/2011

Comments:

This bill is intended to replace cndo court which has seen very little use over the trial period. The proposal to utilize commercial mediation with funding from the ocndo ed trust fund to achieve more deisred results from mediation in those instances identified is in the right direction as opposed to continuing funding condo court that is rarely used. Doing the same thing over and over the same way will not achieve a different result. We request this bill be passed.

From: Sent: To: Cc: Subject: mailinglist@capitol.hawaii.gov Friday, February 04, 2011 9:11 PM CPN Testimony mmartin40@hawaii.rr.com Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Mary Martin Organization: Wailuna AOAO Address: Phone: E-mail: <u>mmartin40@hawaii.rr.com</u> Submitted on: 2/4/2011

Comments:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Ruth Tschumy Organization: Condo board president Address: Phone: E-mail: <u>ruthdt@hawaiiantel.net</u> Submitted on: 2/4/2011

Comments:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Roland Mina Organization: Ke Noho Kai Community Assn Address: Ewa Beach, HI Phone: E-mail: <u>andy.pearl@gmail.com</u> Submitted on: 2/4/2011

Comments:

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Testifier: Richard Port

Committee/s: Committee on Commerce & Consumer Protection: Committee on Judiciary and Labor

Date of Hearing: Tuesday, February 8, 2011;

Time and Place of Hearing: 9:15 a.m. Conf. Rm #229

Bill Number and Title: SB 92: Relating to Condominium Dispute Resolution

Dear Senators Baker and Hee;

I am testifying in opposition to the elimination of the DCCA administrative hearings in bill SB 92. This bill would substitute a mediation program for the DCCA administrative hearings when the difference between the mediation program and the DCCA administrative hearings is substantial.

With mediation, the parties attempt to reach a mutually acceptable resolution with the assistance of a trained mediator. However, sometimes mediation does not result in a resolution of issues. DCCA hearings, on the other hand, determine who will prevail on the issues in dispute.

I recommend your committee defer this bill which has already been deferred (HB 1662) in the House of Representatives. Tomorrow the Committee on Commerce & Consumer Protection will be hearing SB 1125 which will make permanent the DCCA Administrative Hearings Process.

If your committee is inclined to move SB 92 forward, please amend this bill by deleting Section 6 in its entirety because Section 6 would eliminate the DCCA Administrative Hearings, otherwise known as the Condominium Dispute Resolution Process .

Thank you for this opportunity to testify in opposition SB 92.,

Richard Port

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Jadean DeCastro Organization: Individual Address: Phone: E-mail: jadean@touchstoneproperties-hawaii.com Submitted on: 2/7/2011

Comments:

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Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Keven Whalen Organization: Individual Address: 680 Iwilei Roadm #550 Honolulu, HI 96817 Phone: 808-566-4100 E-mail: <u>keven@touchstoneproperties-hawaii.com</u> Submitted on: 2/7/2011

Comments:

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From:mailinglist@capitol.hawaii.govSent:Monday, February 07, 2011 8:07 AMTo:CPN TestimonyCc:f.mcdermott@ymail.comSubject:Testimony for SB92 on 2/8/2011 9:15:00 AM

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Forrest McDermott Organization: Individual Address: Phone: E-mail: <u>f.mcdermott@ymail.com</u> Submitted on: 2/7/2011

mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 9:52 AM CPN Testimony airhartbn@hawaiiantel.net Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: oppose Testifier will be present: No Submitted by: Robert L. Airhart Organization: Individual Address: Phone: E-mail: <u>airhartbn@hawaiiantel.net</u> Submitted on: 2/5/2011

mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 5:04 AM CPN Testimony cater4349@msn.com Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: curtis carter Organization: Individual Address: Phone: E-mail: <u>cater4349@msn.com</u> Submitted on: 2/5/2011

mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 5:03 PM CPN Testimony phagan@hawaii.rr.com Testimony for SB92 on 2/8/2011 9:15:00 AM

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Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Paul Hagan Organization: Individual Address: Phone: E-mail: <u>phagan@hawaii.rr.com</u> Submitted on: 2/5/2011

From:mailinglist@capitol.hawaii.govSent:Saturday, February 05, 2011 1:02 AMTo:CPN TestimonyCc:Keoki96701@hawaii.rr.comSubject:Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Rick Edds Organization: Individual Address: Phone: 8084863327 E-mail: <u>Keoki96701@hawaii.rr.com</u> Submitted on: 2/5/2011

mailinglist@capitol.hawaii.gov Saturday, February 05, 2011 8:46 PM CPN Testimony oneald003@hawaii.rr.com Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: David O'Neal Organization: Individual Address: 94-1038 Kaiamu Street Waipahu, HI Phone: 6880018 E-mail: <u>oneald003@hawaii.rr.com</u> Submitted on: 2/5/2011

Comments:

This bill is intended to replace condo court, which has seen very little use over the trial period. The proposal to utilize funding from the condominium education trust fund to achieve inexpensive mediation in those instances identified is a move in the right direction. I urge you to pass this Bill.

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mailinglist@capitol.hawaii.gov Friday, February 04, 2011 6:13 PM CPN Testimony rdunn@haseko.com Testimony for SB92 on 2/8/2011 9:15:00 AM

Categories:

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Richard Dunn Organization: Individual Address: Phone: E-mail: <u>rdunn@haseko.com</u> Submitted on: 2/4/2011

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: robert duca Organization: Individual Address: Lahaina, HI. Phone: 925 788 9933 E-mail: <u>bduca@sbcglobal.net</u> Submitted on: 2/4/2011

Comments:

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Albert Denys Organization: Individual Address: Phone: 306-9180 E-mail: <u>adenys@hawaii.rr.com</u> Submitted on: 2/1/2011

Comments:

I support SB92 as it is provides all homeowners with the ability to seek mediation for their disputes with their homeowners association in a honest and fair forum, which also is inexpensive. If mediation fails there are other avenues for that individual to pursue to seek satisfaction. Please approve SB92 as written. Mahalo. Albert Denys

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Irma Pante Organization: Individual Address: Phone: E-mail: <u>irma@hmcmgt.com</u> Submitted on: 2/4/2011

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Beverly Wellman Organization: Individual Address: 94-825 Lumiauau St., E-104 Waipahu, HI Phone: 808-678-3880 E-mail: wellmanb001@hawaii.rr.com Submitted on: 2/4/2011

Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Duncan Graham Organization: Individual Address: Phone: E-mail: <u>duncan@certifiedhawaii.com</u> Submitted on: 2/4/2011

Testimony for CPN/JDL 2/8/2011 9:15:00 AM SB92 Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Marilyn Hampton Organization: Individual Address: Phone: E-mail: <u>marilyn.hampton@hawaiiantel.net</u> Submitted on: 2/4/2011

Comments:

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Conference room: 229 Testifier position: support Testifier will be present: No Submitted by: Tori Kinney Organization: Individual Address: Phone: E-mail: <u>tlk715@gmail.com</u> Submitted on: 2/4/2011

Conference room: 229 Testifier position: oppose Testifier will be present: No Submitted by: Margaret Brevoort Organization: Individual Address: 56-2863 Akoni Pule Hiway Hawi, HI 96719 Phone: 808-889-6930 E-mail: pegbre@earthlink.net Submitted on: 2/4/2011