

INSTRUCTIONS: CONDOMINIUM HOTEL OPERATOR REGISTRATION

Access this form via website at: www.hawaii.gov/hirec

WHO MUST REGISTER

Any sole proprietor, corporation, partnership, limited liability company (LLC) or limited liability partnership (LLP) which provides transient lodgings for periods of less than 30 days in a condominium project. Condominium hotels include those apartments/units in a project as defined in HRS §514A-3 and §514B-3, subject to HRS Chapters 514A and 514B.

The registration and fidelity bond requirements shall not apply to condominium hotel operators who are active real estate brokers.

APPLICATION FORM

Type or print legibly in black ink and provide all requested information and documents.

1. The applicant's name must be exactly as registered with the Business Registration Division (BREG), Department of Commerce and Consumer Affairs.
2. If a trade name is used, the trade name must first be registered with BREG. Submit a filed-stamped copy of current trade name registration approved by BREG. The Commission's rules require that BOTH the registration name and the trade name must appear in any advertising, including letterhead stationery and business cards.
3. Provide the physical location of the applicant's place of business in Hawaii.
4. Provide a mailing address if different than the physical location.
5. Provide the telephone number of the place of business in Hawaii.
6. Provide the name, address and phone number of the employee or principal having direct management and responsibility over condominium hotel operations.
7. You must answer ALL questions. If there are any unanswered questions, a deficiency notice will be issued and further review of the application will be suspended until a response is received. If there are any "Yes" answers to questions (1) through (6), refer to the section on "Yes" answers below.
8. Provide the names, titles, license number (if applicable), residence street addresses and phone numbers of officers and directors of a corporation, partners of a partnership or LLP, and manager and members of an LLC. Attach a separate sheet if necessary.
9. **List** all condominium apartments under condominium hotel operation, including apartments owned by the condominium hotel operator, and those included in a registered time share plan.
10. The application must be certified by the employee or principal having direct management and responsibility over condominium hotel operations **AND** by an officer of a corporation, general partner of a partnership or LLP, or manager or member of an LLC.

Submit the following with the application:

ENTITY REGISTRATION Corporation/ Partnership, LLC or LLP

We will require the following proof to show that the entity is properly registered with the Business Registration Division (BREG), Department of Commerce and Consumer Affairs, State of Hawaii, P.O. Box 40, Honolulu, Hawaii 96810. *(Please write to BREG to obtain the proper forms or call 586-2727 or www.businessregistrations.com)*

If the entity has been registered in this State for LESS THAN one (1) year, **ATTACH** a "filed-stamped" copy of the document filed with BREG; or the same certificate mentioned below.

If the entity has been registered in this State for MORE THAN one (1) year, **ATTACH** a "Certificate of Good Standing" that was issued not more than 12 months ago.

TRADE NAME

If you are planning to use a trade name, submit a "filed-stamped" copy of current trade name registration approved by the Business Registration Division of the Department of Commerce and Consumer Affairs.

LETTER TO OWNERS

Attach copies of a recently dated letter delivered to all apartment owners in each condominium project in which the applicant operates a condominium hotel. The letter shall notify the owners of the non-applicability of the real estate recovery fund for applicant's unpaid judgments.

DECLARATION AND BYLAWS

Attach true copies of the declaration AND bylaws for each condominium project in which the applicant operates a condominium hotel, certified by the Bureau of Conveyances or Land Court. You must highlight the sections in both the declaration and the bylaws which specifically permit condominium hotel operations or transient lodgings, or else the application is incomplete and will not be accepted.

Any questions about the zoning should be directed to:

- County of Honolulu - Department of Planning & Permitting, City and County of Honolulu, 650 South King Street, 7th Floor, Honolulu, HI 96813; Phone: 523-4131
- Kakaako Community Development District - Hawaii Community Development Authority, 677 Ala Moana Boulevard, #1001, Honolulu, HI 96813; Phone: 587-2870 or 587-2865
- County of Hawaii - County of Hawaii, Planning Department, 101 Pauahi Street, Hilo, HI 96720; Phone: 961-8288
- County of Kauai - County of Kauai, Planning Department, 4444 Rice Street, Ste 473, Lihue, HI 96766; Phone: 241-6677
- County of Maui - County of Maui, Planning Department, 250 South High Street, Wailuku, HI 96793; Phone: 270-7735

FEES

Make checks payable to "COMMERCE AND CONSUMER AFFAIRS":

If registration will be issued in an odd-numbered year, pay \$305
(Application fee (non-refundable) \$75 + Registration fee \$100 + Compliance Resolution Fund \$90 + EF \$40)

If registration will be issued in an even-numbered year, pay \$210
(Application fee (non-refundable) \$75 + Registration fee \$50 + Compliance Resolution Fund \$45 + EF \$40)

NOTE: One of the numerous legal requirements that you must meet in order for your new registration to be issued is the payment of fees as set forth in this application. You may be sent a registration certificate before the payment you sent us for your required fees is honored by your bank. If your payment is dishonored, you will have failed to pay the required registration fee and your registration will not be valid, and you **may not** do business under that registration. Also, a \$25.00 service charge shall be assessed for payments that are dishonored for any reason.

If for any reason you are denied the registration you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for registration has been denied.

BOND REQUIREMENT

Condominium hotel operators are required to obtain a fidelity or employee dishonesty bond which shall protect the condominium hotel operator against fraudulent or dishonest acts by the employees of the condominium hotel operator, and shall cover all employees handling or having custody or control of the condominium hotel operator's or apartment owner's funds, or both.

A certification statement of insurance (CSI-01 form enclosed in this packet) or a certificate of insurance, completed and signed by your insurance representative, is required as proof of bond coverage. To avoid delays in processing, **SUBMIT THE PROOF OF BOND WITH YOUR APPLICATION**, or the application will be considered incomplete.

Bond Amount: To calculate the amount of coverage needed, multiply the aggregate number of apartments in the condominium hotel operation by \$500. The minimum bond amount shall be \$20,000, regardless of the number of apartments being operated in the condominium hotel and the maximum is \$100,000.

The deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond. In no case shall the deductible be greater than \$5,000. "Aggregate number of apartment units" excludes:

1. Apartments owned by the condominium hotel operator.
2. Apartments in a registered time share plan managed by a registered time share plan manager.

HRS §467-30 requires the condominium hotel operator to keep a current fidelity or employee dishonesty bond, issued by a company currently authorized by the insurance commissioner of Hawaii to issue insurance in this State, in compliance with the statute and any related rules, which:

1. Names the Condominium Hotel Operator as the certificate holder;
2. Provides the Department of Commerce and Consumer Affairs with written notification of at least thirty calendar days prior to its cancellation or termination;

**BOND
REQUIREMENT**
(cont.)

3. Provides coverage for condominium hotel operator activity only;
4. States that the bond is a fidelity or employee dishonesty bond;
5. States the amount of the deductible or that no deductible applies to the bond. The amount of any deductible may not exceed \$2,000 or 5% of the face value of the bond. The deductible may not be greater than \$5,000;
6. Names the condominium hotel operator registrant only as the insured and excludes any other person, trade name, business name or entity as the named insured;
7. States that the policy covers the condominium hotel operator against fraudulent or dishonest acts by the employees of the operator;
8. Includes an expiration date or a statement that the bond is continuous; and
9. Specifies whether the bond is a blanket or name schedule type, and if a name schedule type, lists all persons covered.

A bond must be maintained throughout registration. If at any time the bond expires, is canceled or terminated for any reason, or the registrant fails to provide evidence of continuous bond coverage, the condominium hotel operator registration shall be terminated without notice to the condominium hotel operator. An unregistered operator is without authorization to engage in condominium hotel operator activity. Once unregistered, you will be required to complete new registration application requirements in order to obtain registration.

**REVIEW AND
APPROVAL**

All applications must be reviewed and approved by the Real Estate Commission. Allow approximately three weeks for normal processing and notification. *Unnecessary calls and visits will only delay processing.* If your application is approved, a "Notice of Registration" will be mailed to you. If your application is required to be reviewed at a Commission meeting, the processing time will be longer. You will receive notification of the date, time, and location of the meeting. The Commission meets once each month.

Instructions for "Yes" Answers to Questions (1) through (6) of the Application:

- A. The following documentation must be submitted with the registration application. Applications for registration will not be considered without this material.
- 1) Questions (1) through (6) refer to complaints, charges of unlicensed activity, or pending disciplinary actions for any profession, occupation, or license, both real estate and those other than real estate. If your answer is "yes" to one or more of these questions, read paragraph "B" below, AND you must submit the following:
 - i. A statement signed by you explaining the circumstances;
 - ii. Copies of any documents from the agency, including final orders, petitions, complaints, findings of fact and conclusions of law, and any other relevant documents;
 - iii. A resume of any employment, business activities, and education since the date of the action; and
 - iv. You may also include signed statements from employers, business associates, clients, and others who can attest to your reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing.
 - 2) If your application indicates a criminal conviction, read paragraph "B" below, AND you must submit the following:
 - i. A statement signed by you explaining the circumstances leading to the conviction and detailing all activities since the conviction, including employment and business involvements. Include job title, period of employment, employer's name, description of duties, training attended, and educational courses attended;
 - ii. A copy of the court order, verdict, and terms of sentence;
 - iii. If applicable, a copy of the terms of probation and/or parole and a notarized statement from your probation or parole officer as to your reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing; and
 - iv. Signed statements from employers, business associates, clients, and others who can attest to your business dealings since the conviction, including a statement as to your reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing.

(CONTINUED ON BACK)

- 3) If you have any pending lawsuits, unpaid judgments, outstanding tax obligations, or any other type of involuntary liens against you, read paragraph B below, AND you must submit the following:
- i. A statement signed by you explaining the circumstances and current status, and if no payment or payment arrangement has been made, the reason;
 - ii. A resume of employment and business activities; and
 - iii. Copies of the court complaint, judgment, documentation of payment arrangements, lien documents, records of any payments, and other relevant documents.

B. If you answered "yes" to any of the questions from (1) through (6), your application will be reviewed at a monthly Real Estate Commission meeting if you have provided all applicable information and documents as described above. The Commission will not review incomplete applications. If you wish to present oral testimony at the meeting, submit a written request with your application. A courtesy notice with information on the date, time, and location of the meeting will be sent to you.

MAILING ADDRESS Mail the completed registration application, together with the appropriate attachments and the proper fees to:

CHO - REGISTRATION DCCA, PVL Licensing Branch P.O. Box 3469 Honolulu, HI 96801	or	Deliver to office location at: 335 Merchant St., Room 301 Honolulu, HI 96813
Forms: (808) 586-3000 Questions: (808) 586-2643		

REVIEW Incomplete applications or applications submitted without the required documents will not be accepted.

CLIENT'S FUNDS Client's funds shall be deposited into a trust account in a federally insured depository in Hawaii by the next business day following receipt. The trust fund shall be only in the name of the registered condominium hotel operator. The trust fund account and the handling of the client's funds shall be in compliance with HRS Chapter 467 and its rules.

PLACE OF BUSINESS The principal place of business and branch offices shall be in compliance with HRS Chapter 467 and its rules.

LAWS & RULES A copy of the real estate licensing law and rules, HRS Chapter 467 and HAR Chapter 99, which includes the law and rules on the registration of condominium hotel operators, may be obtained by submitting a written request to the address above. Chapter 436B, Hawaii Revised Statutes, the Professional and Vocational Licensing Act should be read in conjunction with the above statutes.

The laws and rules are also posted on our website at: www.hawaii.gov/hirec.

BIENNIAL REREGISTRATION Registrations expire on December 31 of each even-numbered year, and completed re-registration applications must be submitted on or before November 30 of each even-numbered year. Re-registration is subject to submitting current fees and evidence of a current fidelity bond. It is the condominium hotel operator's responsibility to re-register, with or without notice. It is the condominium hotel operator's responsibility to provide written notice to the Commission of any changes to the information contained on the registration application forms and documents within ten (10) days of any change.

APPLICATION FOR REGISTRATION: CONDOMINIUM HOTEL OPERATOR

Approved/date:	Notice mailed on:
CHO Registration No. CHO -	Effective date:

Name of Applicant - AS REGISTERED WITH BUSINESS REGISTRATION DIVISION
(Last-First-Middle or name of corporation, partnership, limited liability company (LLC) or limited liability partnership (LLP)):

ASSIGNED NO. A

Trade Name, if used:

Business Address in Hawaii (Include street address, suite no., city, state & zip code):

Mailing Address (ONLY if different from above):

Hawaii Telephone No.:

Name of Employee or Principal Having Direct Management and Responsibility Over Condominium Hotel Operations:

Address:

Phone No.

FOR OFFICE USE ONLY

ANSWER ALL QUESTIONS BELOW

Answer all questions. Circle the appropriate response. Questions 1 through 6 refer to the applicant, to any officer or director of the corporation, to any manager or member of the LLC, or to any partner of the partnership or LLP. If any response to questions 1 through 6 is "Yes", refer to the instructions for additional documents that MUST be submitted with this application.

- (1) Has an application for license or a real estate license/registration ever been denied, suspended, fined, involuntarily terminated, revoked, or otherwise subject to disciplinary action, regardless of outcome? YES NO
- (2) Have any complaints or charges ever been filed against you, regardless of outcome, with the license/registration authority of any jurisdiction? YES NO
- (3) Have any charges of unlicensed activity ever been filed against you, regardless of outcome, with the licensing/registration authority of any jurisdiction? YES NO
- (4) Are there any pending disciplinary actions in any jurisdiction against you? YES NO
- (5) In the past twenty years, have you been convicted of a crime in which the conviction has not been annulled or expunged? YES NO
- (6) Are there any pending lawsuits, unpaid judgments, outstanding tax obligations, or any other type of involuntary liens against you? YES NO
- (7) Is the corporation, partnership, LLC, LLP, or trade name properly filed with the Business Registration Division of Department of Commerce and Consumer Affairs? YES NO
- (8) Is the applicant now solvent? YES NO

(CONTINUED ON BACK)

Appl	580	\$75
Reg	591	\$100/50
CRF	583	\$90/45
EF.....	905	\$40
Service Charge.....	BCF	\$25

Provide the information requested below. Attach a separate sheet if necessary.

Name & Title		Hawaii Real Estate License No. (If none, state "none")	Residence Address (not P.O. Box) and Residence Phone No.
President/Partner/Manager/Member			
Vice President/Partner/Manager/Member			
Secretary/Partner/Manager/Member			
Treasurer/Partner/Manager/Member			
Director/Partner/Manager/Member			
Condominium Project Name & Address and Tax Map Key	CPR No.	APARTMENT NUMBERS being operated as a condominium hotel	Total number of apartments Operated in each project as a Condominium hotel
(If more space needed, attach separate sheet)		List apartment numbers managed for others:	
		List apartment numbers owned by applicant:	
		List apartment numbers in a registered time share plan:	
TOTAL CONDOMINIUM HOTEL APARTMENT UNITS OPERATED.....			

Affidavit of Applicant:

1. I understand that it is my responsibility to read the instruction sheet thoroughly. I certify that this application is complete as required, and is accompanied by the required documents and fees, or this application will be considered incomplete.
2. I certify that the information provided in this application is true and correct, and that there are no material omissions. I understand that any misrepresentation of information is grounds for the denial of this application, or the imposition of a fine (HRS §467-14), or may constitute a misdemeanor (HRS §710-1017).
3. I certify that any changes to the application information provided or proof of fidelity bond coverage shall be reported to the Real Estate Commission, in writing, within ten (10) days of the date of the change.
4. I certify that the applicant maintains a client trust account in compliance with HRS Chapter 467 and its rules.
5. I certify that applicant maintains continuous fidelity bond coverage in compliance with HRS §467-30, that evidence shall be filed with the Real Estate Commission throughout the entire registration period, and that it is my responsibility to provide such evidence. I also understand that the Commission shall terminate the registration for failure to provide such evidence, and that notice will not be given. I further understand that the Commission will not notify me of an impending bond expiration date.
6. I certify that I am operating exclusively in condominium projects specifically authorized for transient lodgings/hotels by county zoning ordinances and specifically permitted by the projects' declaration and bylaws and that the requirements of §467-30, HRS, including §467-30(f), HRS, have and will be complied with. In support, I am attaching the following documents:
 - a. True copies of the declaration and bylaws for each condominium project in which the applicant operates a condominium hotel, certified by the Bureau of Conveyances or Land Court. I have marked the specific sections that allow hotel or transient lodgings (if submitted unmarked, the application is considered incomplete and will not be accepted).
 - b. Copies of a recently dated letter delivered to all apartment owners in each condominium project in which the applicant operates a condominium hotel. The letter notifies the owners of the non-applicability of the real estate recovery fund for applicant's unpaid judgments.

Signature of CHO Principal with Direct Management

Date

Print Name and Title

Signature of an Officer of the Corp., General Partner of the Partnership or LLP, or Manager or Member of the LLC

Date

Print Name and Title

This material can be made available for individuals with special needs. Please call the Licensing Branch Manager at (808) 586-3000 to submit your request.

CERTIFICATION STATEMENT OF INSURANCE (CSI)

Check ONE type only:

- Condominium Hotel Operator (CHO)
- Condominium Managing Agent (CMA)
- Condominium Association of Apartment Owners (AOAO)

Policy Number: _____

Name of Insured: _____

Policy Period: From: _____ To: _____

Insurance Company: _____

1. The undersigned insurance company representative certifies that the above referenced insurance policy complies with the requirements found in Hawaii Revised Statutes §467-30 for Condominium Hotel Operators, or Hawaii Revised Statutes §514B-132(a)(3) for Condominium Managing Agents, or Hawaii Revised Statutes §514B-143(a)(3)(A) for Condominium Association of Apartment Owners, AND Hawaii Administrative Rules Chapter 99 or 107, as applicable.

2. The undersigned further certifies that the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, Real Estate Branch will be provided written notification at least thirty calendar days prior to policy cancellation, termination, or a material change to the information provided on this Certification Statement of Insurance.*

Date

By: _____

Signature of Authorized Insurance Representative
(Original signature or stamp preferred, however facsimile or photocopied signatures are accepted.)

Print **Name** of Authorized Insurance Representative

Print **Company Name** of Insurance Producer

Print **Address** of Insurance Producer

Print **Phone Number** of Insurance Producer

*** Submit written notification of cancellation, termination, or material change in CSI information to:**

DCCA - P&VLD
Real Estate Commission
335 Merchant Street, Room 333
Honolulu, HI 96813

(SEE REVERSE SIDE FOR SPECIFIC FIDELITY BOND REQUIREMENTS)

FIDELITY BOND REQUIREMENTS

General Requirements: **1)** Insurance company is authorized in Hawaii by the Insurance Division of the Department of Commerce & Consumer Affairs (DCCA); **2)** "Certificate holder" is the applicant; **3)** Provide DCCA with written notification at least 30 calendar days prior to policy cancellation, termination, or material change to CSI; **4)** Provide coverage for either CHO, CMA or AOA activity only; **5)** Name the CHO, CMA or AOA only as the named insured, excluding any other person, trade name, or business entity; **6)** Specify that bond is a fidelity, employee dishonesty, or commercial crime bond, and whether bond is a blanket or name schedule type; **7)** Specify an expiration date or that bond is continuous; **8)** Specify whether bond contains a deductible provision or that no deductible applies; **9)** Provide other information as requested by the Commission; **10)** Deductible amount shall not exceed the greater of \$2,000 or five percent of the bond with \$5,000 as maximum deductible allowed; **11)** If bond is a name schedule type, provide the name schedule listing all persons handling or having control of funds received by the CHO, CMA or AOA, and provide notice to the DCCA of any changes to the name schedule on an amended name schedule within 10 calendar days of the change; **12)** Bond shall not contain a criminal conviction endorsement or rider which requires as a condition precedent to recovery, the prosecution or conviction of the employee; **13)** A fidelity bond exemption application may be approved by the Commission, however, interested applicants must first contact a condominium clerk at 586-2643 to request a CHO, CMA or AOA bond exemption application form. No fidelity bond exemption shall be granted to a CHO having a real estate broker exemption (HRS §467-30(b)(2)). If the bond exemption application is denied by the Commission, a current fidelity bond must be obtained; **14)** New registration application processing will cease and existing registration will automatically terminate if the CHO, CMA or AOA lacks an approved bond exemption AND fails to obtain current fidelity bonding as required by HRS Chapters 467 and 514B and HAR Chapters 99 and 107, as applicable.

Condominium Hotel Operators (CHOs): Bond amount: \$500 x number of apartments (excluding apartments owned by CHO as either a sole proprietor, partnership, corporation, LLC, LLP, or apartments in a registered time share plan managed by a registered time share plan manager), provided that the minimum bond shall not be less than \$20,000 nor greater than \$100,000 (HRS §467-30(b)(2)). Deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond, and in no case shall deductible exceed \$5,000 (HAR §16-99-148(c)). **Required coverage:** Bond covers all the CHO's employees handling or having custody and control of either the CHO's or the apartment owner's funds, or both (HRS §476-30(b)(2)). Protects the CHO against fraudulent or dishonest acts by the employees of the CHO (HRS §467-30(d)). All persons handling or having custody and control of either the CHO's or the apartment owner's funds shall either be employees of the CHO or principals of the CHO (HRS §467-30(i)).

Condominium Managing Agents (CMAs): Bond Amount: \$500 x number of condominium apartments managed by the CMA, provided that the bond shall not be less than \$20,000 nor greater than \$500,000 (HRS §514B-132(a)(3)). **Required Coverage:** Bond shall protect the CMA against the loss of any AOA's moneys, securities or other properties caused by the fraudulent or dishonest acts of employees of the CMA (HRS §514B-132(a)(3)). The CMA shall permit only employees covered by the fidelity bond to handle or have custody or control of any AOA funds, except any principals of the CMA that cannot be covered by the fidelity bond (HRS §514B-132(a)(3)).

Condominium Association of Apartment Owners (AOAOs): Bond Amount: \$500 x number of apartments, provided that the bond shall not be less than \$20,000 nor greater than \$200,000 (HRS §514B-143(a)(3)). **Required Coverage:** Bond covers all officers, directors, employees, and managing agents of the AOAO who handle, control, or have custody of the AOAO funds, and shall protect the AOAO against fraudulent or dishonest acts by persons, including any managing agent, handling the AOAO funds (HRS §514B-143(a)(3)).