

CONDOMINIUM REVIEW COMMITTEE
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes.

Date: December 12, 2002

Time: 11:00 a.m.

Place: Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Mitchell Imanaka, Chair
Peter Rice, Vice Chair
Louis Abrams, Member
Kathleen Kagawa, Member
John Ohama, Member – early departure
Iris Okawa, Member
Vern Yamanaka, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Gordon Arakaki, Condominium Recodification Attorney
Diane Choy Fujimura, Senior Real Estate Specialist
Russell Wong, Real Estate Specialist
Lorene Arata, Real Estate Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Charles Aki, Former Commissioner
Kenneth Chong, Condominium Consultant

Excused: Marshall Chinen, Member
Patricia Choi, Member

Call to Order: Chair Imanaka called the meeting to order at 11:00 a.m., at which time quorum was established.

Chair's Report: Chair Imanaka wished everyone a Happy Holiday!

Condominium
Specialist's
Report:

Additional Distribution

The following materials were distributed prior to the start of the meeting:

- 4. Condominium Governance and Management
 - a. Mediation and Arbitration
- 6. Program of Work, FY03
 - i. Interactive Participation with Organizations

Additions to the Agenda

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend acceptance of the additions to the agenda as follows:

- 5. CPR Registration and Developer's Public Reports
 - a. Condominium Projects and Developer's Public Reports
 - 3) Schuler Homes, Inc. – Kalamaku'u, CPR #4628
 - 4) Schuler Homes, Inc. – Halemalu at Puhi, CPR #4735

Minutes:

Upon a motion by Commissioner Rice, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the minutes of the November 13, 2002 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOAO / CMA / CHO Registrations

Specialist Gruppen reported that as of November 30, 2002, 1,449 AOAOs have successfully registered.

Upon a motion by Commissioner Rice, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Association of Apartment Owners through November 30, 2002 for the 2001-2003 registration. The association is as follows: Hale Kee Kee Condominium, 11/04/2002.

Mediation and Arbitration

A brochure entitled "Mediation of Condominium Disputes," produced by staff, was distributed for informational purposes. The brochure provides information on the following: What is mediation, the advantages of mediation, is mediation mandatory, cost for mediation, who is eligible to file for mediation, what is considered an eligible issue, the procedures in requesting a CMEF-subsidized mediation and a list of mediation providers.

Condominium Seminars – November 19, 2002 "How the New Non-Profit Corporation Act Affects Your Association" CAI Hawaii – Evaluation

A handout from the seminar prepared by Richard Ekimoto, Esq. relating to the New Non Profit Law was distributed for informational purposes. The handout included a

comparison of the Condominium Property Act- HRS Chapter 514A, Non-Profit Corporation Act – HRS Chapter 414D and the Planned Community Act – HRS Chapter 421J.

CRC Educational Advisory Group

Specialist Grupen requested that Commission members submit additional names for the CRC Educational Advisory Group. Names received so far include: Richard Port, Agnes Ringle, Jane Sugimura, John Morris, Steve Glanstein, Marsha Shimizu, Richard Emery and Judy Manthei.

Case Law Review Program

The following articles from the November 2002 issue of *Community Association Law Reporter* were distributed for informational purposes: "Unfair Debt Collection Practices" and "Owner Did Not Inflict Emotional Distress on Association President."

Commissioner Ohama was excused from the meeting.

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

Chair Imanaka recused himself from discussion and voting on projects numbered 4869 and 4964. Upon a motion by Commissioner Yamanaka, seconded by Commissioner Rice, it was voted on and carried to recommend approval to ratify issuance of effective dates for public reports for the month of November 2002 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
4916	3856 CLAUDINE	3856 & 3856-A CLAUDINE ST HONOLULU HI 96816	(1)3-03-015:021	Final	11/07/02
4914	4332 HARDY ST CONDO	4332 HARDY ST LIHUE HI 96766	(4)3-06-015:044	Final	11/19/02
4953	47-394 AHUIMANU PL CONDO	47-394 & 47-394 A AHUIMANU PL KANEHOE HI 96744	(1)4-07-003:021	Final	11/25/02
4954	606 OLINDA ROAD CONDO	606 OLINDA RD MAKAWAO HI 96768	(2)2-04-011:021	Final	11/27/02
4944	63 KUAHIWI AVENUE	63 KUAHIWI AVE WAHIAWA HI 96786	(1)7-04-003:033	Final	11/18/02
4945	AU STREET ESTATES	68-033 AU ST WAIALUA HI 96791	(1)6-08-011:004	Final	11/20/02
4907	CORTEBELLA PHASE 6	MAKALAUNA PL EWA BEACH HI 96706	(1)9-01-010:062	Final	11/14/02
4635	FAIRWAY VILLAS AT WAIKOLOA BEACH RESORT	WAIKOLOA BEACH DR WAIKOLOA HI	(3)6-09-008:003	Suppl 1	11/14/02
4879	FAIRWAY VILLAS AT WAIKOLOA BEACH RESORT	WAIKOLOA BEACH DR WAIKOLOA HI	(3)6-09-008:003	Suppl 1	11/14/02
3279	GARDENS UPCOUNTRY	71 MAKAWAO AVE MAKAWAO HI 96768	(2)2-03-044:031	Suppl 1	11/27/02
4968	HOKUA AT 1288 ALA MOANA	1288 ALA MOANA BLVD HONOLULU HI 96814	(1)2-03-005:001	Prelim	11/20/02
4924	HOONANEA CONDO RESIDENCE	2235 HOONANEA ST HONOLULU HI 96822	(1)2-08-014:078	Final	11/18/02
4929	HU'ELANI PHASE 5	91-248 TO 91-255 LUKINI PL EWA BEACH HI 96706	(1)9-01-116:006	Final	11/14/02
4967	KIKAUA POINT COTTAGES -PHASE I THE	MILE MARKER 87 QUEEN KAAHUMANU KAILUA-KONA HI 96740	(3)7-02-019:022	Cont Final	11/18/02
3905	KOHOLA POINT CONDO	LOT 4 ANINI VISTA SUBDIV KALIHUWAI HI	(4)5-03-009:004	Suppl 1	11/07/02

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4942	LAS BRISAS PHASES 1 & 2	MAKALEA ST EWA BEACH HI 96706	(1)9-01-010:082	Prelim	11/13/02
4413	MAHALO PROPERTIES	73-1328 HI'OLANI ST KAILUA-KONA HI 96740	(3)7-03-046:040	Suppl 1	11/01/02
4905	MAKENA BEACH COND	MAKENA ALANUI KIHEI HI 96753	(2)2-01-007:102	Final	11/13/02
4665	PAKAHAKAHA CONDO	LOT3 NAMAHAHA FARMS SUBDIV HANAIEI HI	(4)5-02-024:003	Suppl 1	11/07/02
4869	PENINSULA AT HAWAII KAI PROJ I(151UNITS)	520 LUNALILO HOME RD HONOLULU HI 96825	(1)3-09-008:016	Final	11/27/02
4964	PENINSULA AT HAWAII KAI PROJECT II THE	520 LUNALILO RD HONOLULU HI 96825	(1)3-09-08:036	Cont Final	11/27/02
4668	PI'OI CONDOMINIUM	LOT 8 NAMAHAHA FARMS SUBDIV HANAIEI HI	(4)5-02-024:008	Suppl 1	11/25/02
4955	PU'U EHU	LOT 16 ALIOMANU RD SUBDIV ALIOMANU HI	(4)4-09-003:007	Final	11/26/02
4948	REGENCY VILLAS AT POIPU KAI THE	HOOHU ROAD POIPU HI	(4)2-08-027:026	Prelim	11/18/02
4892	TERRAZZA PHASE 17	MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:049	Final	11/25/02
4975	TIBURON PHASE 2	LUAHOANA ST EWA BEACH HI 96706	(1)9-01-010:082	Prelim	11/27/02
4689	VILLAS AT KENOLIO THE PH I	KA'ONO'ULU ST KIHEI HI 96753	(2)3-09-001:160	Final	11/07/02

Preliminary Reports: 4
 Contingent Final Reports: 2
 Final Reports: 14
 Supplementary Reports: 7

Total: 27

Schuler Homes, Inc. – Kalamaku'u–CPR #4628 & Halemalu at Puhī–CPR #4735

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(4), "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

Upon a motion by Commissioner Abrams, seconded by Commissioner Okawa, it was voted on and unanimously carried to move out of executive session.

Upon a motion by Commissioner Rice, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to require the developer, Schuler Homes, Inc., to do the following for both projects, Kalamaku'u-CPR #4628 and Halemalu at Puhī-CPR #4735:

- 1) Stop sales until such time Commission issues effective dates for developer's supplementary public reports; Commission's usual stop sales letter to be issued.
 - 2) Submit a supplementary developer's public report to update the developer's contingent final public report indicating the withdrawal of the apartments from the contingent offering (and now covered by the final developer's public report);
- AND**
- 3) Amend or update (via a supplementary developer's public report) the developer's final public report to clarify that the apartments being offered for sale include only the apartments for which the material house bond covers;

OR

- 4) Provide a material house bond in the amount covering the entire condominium project not just the increment.

Deputy Attorney General Wong suggested that staff provide all condominium consultants with this information.

Program of Work:

Recodification of Chapter 514A

Recodification attorney Arakaki reported that he will be submitting a report to the Legislature explaining the Commission's positions and will include a second draft of the recodification of chapter 514A report. The report is proposing to extend the project for 1 additional year so that more information and feedback can be collected from the condominium community. The report is due to the Legislature by December 26, 2002.

SEO Kimura reported that a bill will be submitted to the Legislature proposing to extend Recodification Attorney Arakaki's position until the completion of the project.

Advice, Education and Referral

Specialist Yee reported that the Hawaii Criminal Justice Data Center (HCJDC) of the Department of the Attorney General by letter is informing the Commission that per Act 263, SLH 2001, their temporary working group (relating to statutes of criminal history records checks) is proposing to delete Chapter 846, Part III, HRS, and move the language into a new section in Chapter 846, HRS, or into the individual agencies' authorizing statutes. If there is any language in Section 846-41, HRS, that the Commission would like to retain, the HCJDC is suggesting that it be moved to Section 514A-082.1, HRS.

After a review of the letter submitted, the committee recommended deferring a response to the Hawaii Criminal Justice Data Center letter of November 21, 2002 until such time staff receives input from condominium association management related organizations on the subject matter.

Government and Legislative Participation Report – 2002 Annual Report

The Real Estate Commission's 2002 Annual Report, including the Condominium Review Committee's report about its program of work and budget was distributed for informational purposes. The report has been transmitted to the Legislature.

Interactive Participation with Organizations

Commissioner Rice and Specialist Leong submitted a written report on their attendance and participation at CAI's Community Leadership Forum held in Orlando, Florida, October 24-26, 2002. Commissioner Rice also reported that a slew of educational information is disseminated at the Forum. Much of the information could be incorporated into the Commission's condominium education program.

Condominium Specialists Office for the Day

Specialist Grupen reported that during the month of November, the Commission held Condominium Specialist office of the day on the islands of Kauai, Maui and Hawaii in conjunction with the Renewal Workshops. Specialists met with 14 individuals on issues relating to, for example, condominium project registration, discriminatory conduct, AOA re-registration, proxies, audits, CHO registration, Chapter 514A, etc. Educational materials were also distributed to interested individuals.

CMEF Budget &
Finance Report:

No report presented.

Condominium
Organizations Forum:

There were no comments, recommendations or concerns received from the following:

Community Associations Institute Hawaii Chapter, Alakahi Foundation, Hawaii Council of Association of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii State Bar Association/Real Property & Financial Services Section, Land Use Research Foundation, Condominium Council of Maui, Hawaii Association of Realtors/Institute of Real Estate Management Hawaii Chapter/ Oahu Arm Committee, others.

Open Forum:

No discussion presented.

Next Meeting:

January 10, 2003; 9:30 a.m.
Conference Room
Realtors Association of Maui
441 Ala Makani Place
Kahului, Maui

Adjournment:

With no further business to discuss, Chair Imanaka adjourned the meeting at 11:29 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

January 10, 2003

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____