

CONDOMINIUM REVIEW COMMITTEE
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/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: September 10, 2003

Time: Upon adjournment of the Education Review Committee meeting which followed the Laws and Rules Review Committee meeting which convened at 9:30 a.m.

Place: Conference Rooms A, B & C
State Office Building
3060 Eiwa Street
Lihue, Kauai

Present: Mitchell Imanaka, Chair
Peter Rice, Vice Chair
Louis Abrams, Member
Marshall Chinen, Member
Kathleen Kagawa, Member
John Ohama, Member
Iris Okawa, Member
Vern Yamanaka, Member
Trudy Nishihara, Member

Calvin Kimura, Supervising Executive Officer
Cynthia Yee, Senior Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Jim O'Connor, Kauai Board of REALTORS®
Neil Zaslow, Kauai Board of REALTORS®
Donna Preitauer, Kauai Board of REALTORS®
Larry Hinkel, Realtor Associate
Karen Ono, Kauai Board of REALTORS®
Wayne "Richie" Richardson, RE3 LLC, Real Estate Services
Sandy Howatt, Kauai Board of REALTORS®
Michael Ching, Former Commissioner
Yoshiko "Dimples" Kano, Former Commissioner
Sheilah Miyake, Deputy Director, County of Kauai Planning Department
Marsha Shimizu, Hawaii Association of REALTORS®
Debbie Joy Floria
Karen Agudong

Call to Order: Chair Imanaka called the meeting to order at 11:20 a.m., at which time quorum was established.

Chair's Report: Chair Imanaka thanked Kauai Commissioner Abrams for his hospitality and recognized former Commissioners Dimples Kano and Michael Ching and Sheilah Miyake, Deputy Director of the County of Kauai Planning Department.

Condominium Specialist's Report: Additional Distribution

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

- 4.d. Condominium Seminars and Symposium
- 5.a.1) August 2003 (revised)

Minutes: Upon a motion by Commissioner Rice, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to accept the minutes of the August 13, 2003 Condominium Review Committee meeting as circulated.

Condominium Governance and Management: AOA Registrations

Specialist Yee reported that as of August 31, 2003, 1,373 AOAs have successfully registered.

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Association of Apartment Owners through August 31, 2003 for the 2003-2005 registration. The associations are as follows:

Project Name	Reg	Project Name	Reg
1111 WILDER	7/1/2003	1545 LIONA	8/18/2003
2729 NAKOOKOO STREET	7/1/2003	3458 KALIHI	7/1/2003
400 HOOKAHI STREET	8/22/2003	ALOHA LANI	7/1/2003
APAPANE WOODS	8/25/2003	BERETANIA/PENSACOLA COMM & APT	7/1/2003
BISHOP GARDENS	7/1/2003	CLIFFS AT PRINCEVILLE THE	7/25/2003
CRATER VALLEY	8/18/2003	DORI APARTMENTS	8/18/2003
FAIRWAY GARDENS	7/1/2003	FINANCIAL PLAZA OF THE PACIFIC	8/14/2003
FOUNTAINS AT MAKIKI	7/1/2003	HALE HANA	8/13/2003
HALE MOANA APARTMENTS	8/25/2003	HALE WALINA	8/25/2003
HANAIEI COLONY RESORT	8/21/2003	HAUSTEN INC THE	7/1/2003
HIGHLANDER THE	7/1/2003	HILLSIDE TERRACE IV	8/25/2003
HONO KAI	7/21/2003	IAO PARKSIDE	7/14/2003
KA WAENA LAPAAU	7/1/2003	KAIMUKI BUSINESS PLAZA	7/1/2003
KALAMA TOWNHOUSES	7/25/2003	KALUANUI	7/1/2003
KAPALUA BAY VILLAS INC	8/25/2003	KAPIOLANI MANOR INC	7/1/2003
KAUMUALII PARK CONDO	8/5/2003	KONA RIVIERA VILLA	8/8/2003
KONANE KAI	8/26/2003	KUHIO VILLAGE I	7/1/2003
KUHIO VILLAGE II	7/1/2003	KULANUI HALE	8/25/2003
KUNAWAI TERRACE	7/1/2003	LAPA'OLU AIEA HEIGHTS	7/1/2003
LEHUA HALE	8/25/2003	LEINAALA	8/11/2003
LIME TREE	7/1/2003	MAKIKI CRESCENT	8/19/2003
MAKIKI PARKSIDE	8/21/2003	MAUI PARK	8/4/2003
MCCULLY VILLA	7/1/2003	MIYASHIRO ACRES	7/1/2003
MOLOAA HUI I	8/27/2003	MOLOAA HUI II	8/27/2003
MOLOAA HUI III	8/27/2003	NEHOA PARK ESTATES	7/1/2003
NEWTOWN MEADOWS	7/1/2003	NUUANU STREAMSIDE CONDO	8/25/2003
OTA CAMP	8/4/2003	PAAUILO VILLAGE CONDOMINIUM	7/21/2003
PALEHUA VILLAS	8/13/2003	PARK@PEARLRIDGE INC THE	7/1/2003
PARKWAY PHASE C-1	7/1/2003	PEARL HARBOR VIEW	8/5/2003
PEARL HORIZONS	7/1/2003	PELE APARTMENTS	8/8/2003

PUA LEAHI APARTMENTS	8/18/2003	PUNAHELE PROFESSIONAL BLDG	7/1/2003
PUNAHOU PALMS	8/25/2003	REGENCY ALA WAI	7/31/2003
SPENCER TERRACE	8/21/2003	THOMAS SQUARE CENTRE	7/30/2003
TROPIC GARDENS I	8/5/2003	WAIMEA TOWN PLAZA	8/22/2003
WARD VILLA	7/1/2003	WATERCOLORS AT MAKAKILO	7/3/2003
WESTVIEW PLAZA	7/1/2003	WILDER REGENT	7/1/2003

Total: 72

Condominium Seminars and Symposium

Specialist Yee reported that a request was received from the Hawaii Council of Associations of Apartment Owners (HCAAO) and CAI Hawaii requesting that the Commission co-sponsor an "Aging in Condos Seminar" on October 25, 2003. She reported that the request for subsidy falls within the parameters of the Condominium Management Education Fund. HCAAO is requesting a full subsidy of \$2,125. Specialist Yee further reported that the Commission has a current contract with CAI-Hawaii. However, the request does not fall squarely within the parameters of that contract. Thus the request may be honored by using the small purchase procurement procedures which would require obtaining informal quotes from vendors.

Commissioner Abrams noted that HCAAO proposed Olelo/Neighbor Island Video access and inquired if this video could be also provided to the neighbor island boards. Specialist Yee responded that she would double check.

Commissioner Rice added that should the Commission agree to the subsidy, we should request the copyrights to the video. Commissioner Rice's other concerns included the Commission subsidizing without knowing what is going to take place at the seminar. He added his comments about the absurdity of having to obtain quotes in order to approve a subsidy.

Attorney General Wong stated that a sole source contract could be done if this is the only group that can provide this seminar; however, you must still follow the procurement code. Specialist Yee added that a sole source contract requires approval from the procurement officer and it must also be published. SEO Kimura inquired of the deputy AG whether the sole source requires a contract as compared to the small purchase procedure. Deputy AG remarked that the small purchase procedure did not require a contract. SEO Kimura noted the small purchase procedure would be more timely.

Commissioner Rice inquired if you would still have to follow the same procedure for a partial subsidy. Specialist Yee replied yes.

Chair Imanaka stated that this is a very important topic and he has had meetings with the Department of Health representatives to address this issue.

Commissioner Rice moved to proceed with negotiations for small purchase on the "Aging in Condos Seminar" with the condition that the Commission receive copyrights to all materials produced and that the Commission get acknowledgment for fully subsidizing the seminar at a cost of \$2,125. Commissioner Yamanaka seconded the motion.

Commissioner Abrams suggested that the subsidy threshold be increased to \$3,000.

Commissioner Rice withdrew his motion. Commissioner Yamanaka withdrew his second to the motion.

Upon a motion by Commissioner Rice, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval to have staff proceed with processing the request in accordance with the small purchase procurement procedures, not to exceed a Condominium Management Education Fund subsidy of \$3,000, subject to the sponsors agreeing to give the Real Estate Commission all copyrights to any materials produced including any videos made and further to provide in all promotional, advertising, announcements, flyers and distributed publications and materials, an acknowledgment of the Real Estate Commission's Condominium Management Education Fund full funding/subsidy of the seminar. Staff is also directed to negotiate a provision requiring the sponsors to distribute any produced video to various neighbor island public access television stations and Board of REALTORS®, subject to the Real Estate Commission's prior approval of the quality and content of any produced video.

Condominium Related Articles

The following articles from the *Ledger* Quarterly were distributed for informational purposes: "Capital Replacement Fund: When To use It?" (Spring 2003), "Common Questions: New Position Papers Provide answers for CPAs" (Winter 2003), and "The IRS Information Letter: A New Alternative to Private Letter Rulings" (Winter 2003).

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates for public reports for the month of August 2003 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
4776	2241 A,B & C WAIOMAO ROAD	2241 A,B & C WAIOMAO RD HONOLULU HI	(1)3-04-015:032 96816	Suppl 1	08/13/03
5132	2254 & 2254A METCALF STREET	2254 METCALF ST HONOLULU HI	(1)2-05-016:010 96822	Final	08/21/03
5131	2408 WAOLANI AVENUE	2408 WAOLANI AVE HONOLULU HI	(1)1-08-024:018 96817	Final	08/25/03
5107	45-221 & 45-221A WILLIAM HENRY RD	45-221 & 45-221A WILLIAM HENRY KANEOHE HI	(1)4-05-012:005 96744	Final	08/20/03
5165	734A AND 734B 10TH AVENUE	734A 10TH AVE HONOLULU HI	(1)3-02-024:017 96816	Final	08/18/03
5163	739 KINALAU	739 KINALAU PL HONOLULU HI	(1)2-01-040:031 96813	Final	08/07/03
5117	AWAPUHI	LOT 7 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:085	Final	08/25/03
5161	COCONUT PLNTAN@KO OLINA RESRT&MARINA 6	92-1070 OLANI STREET KAPOLEI HI	(1)9-01-056:004 96707	Prelim	08/05/03
5164	DIAMOND HEAD VIEW HOTEL	230 MAKEE ROAD HONOLULU HI	(1)2-06-028:020 96815	Final	08/14/03
5019	DUSTY ROADS ESTATES	73-4533 KOHANAIKI RD KAILUA-KONA HI	(3)7-03-007:008 96740	Final	08/14/03
5091	FIELDS AT KONA VISTAS THE	LOT 1-A KONA VISTA SUBDIV UNIT KAILUA-KONA HI	(3)7-06-027:006 96740	Final	08/08/03

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4978	GOLSARA GARDENS CONDO PROJ	LOT 9 ESTATES OF HOLUALOA N KONA HI	(3)7-07-007:063	Final	08/21/03
4946	HUINA STREET CONDOMINIUM	330 HUINA ST KAPAA HI	(4)4-02-014:075 96746	Suppl 1	08/22/03
5118	ILIMA	LOT 2 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:080	Final	08/25/03
5128	KAI HALULU CONDOMINIUM	LOT 10 KILAUEA AG SUB PARCEL 7 HANAIE HI	(4)5-01-005:050 96714	Final	08/29/03
2816	KUAKINI PHYSICIANS TOWER	347 N KUAKINI ST HONOLULU HI	(1)1-07-017:002 96817	Suppl 5	08/18/03
5063	LAS BRISAS PHASE 8	91-408, 91-428 MAKALE'A ST EWA BEACH HI	(1)9-01-010:082 96706	Final	08/04/03
5119	LAUWA'E	LOT 8 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:086	Final	08/25/03
5120	LEHUA	LOT 1 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:079	Final	08/25/03
5121	LOKELANI	LOT 10 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:088	Final	08/25/03
5122	MAILE	LOT 4 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:082	Final	08/25/03
5152	MOEAUOA-MAKAI	75-5270 MAMALAHOA HWY HOLUALOA HI	(3)7-05-002:042 96725	Final	08/29/03
5123	MOKIHANA	LOT 3 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:081	Final	08/21/03
4976	MOLOKOA LOT 34 CONDOMINIUM	3229 UNAHE ST LIHUE HI	(4)3-06-018:046 96766	Final	08/08/03
4977	MOLOKOA LOT 98 CONDOMINIUM	3230 UNAHE ST LIHUE HI	(4)3-06-018:069 96766	Final	08/08/03
4972	NA HALE AT PAUOA BEACH	PAUOA WAY KOHALA HI	(3)6-08-034:024	Cont Final	08/01/03
5158	NALII ESTATES	94-1162 NALII ST WAIPAHU HI	(1)9-04-009:133 96797	Final	08/29/03
5129	OCEAN RESORT VILLAS (PH 2&3)	SIX KAI ALA DRIVE LAHAINA HI	(2)4-04-014:003 96761	Cont Final	08/12/03
5159	OILIPUAOKALEI ESTATE	41-1698A&B,41-1694A&B KALANIAN WAIMANALO HI	(1)4-01-008:015 96795	Final	08/12/03
5124	OLENA	LOT 11 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:089	Final	08/21/03
5137	OPU CONDOMINIUM	LOT 2-N KALAHEO HMSTDS, OPU RD KALAHEO HI	(4)2-04-011:034 96741	Final	08/07/03
5144	PAHALA PLANTATION	DISTRICT OF KA'U KA'U HI	(3)9-06-003:002	Prelim	08/01/03
5125	PAKALANA	LOT 5 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:083	Final	08/21/03
5111	PANGDAN & LAYAOEN PARADISE	5-0741 KUHIO HWY KILAUEA HI	(4)5-01-004:004 96754	Final	08/05/03
5168	PENINSULA AT HAWAII KAI-PROJ II	580 LUNALILO HOME ROAD HONOLULU HI	(1)3-09-008:036 96825	Cont Final	08/25/03
5126	PIKAKE	LOT 9 MAKALEHA FALLS ESTATES KAPAA HI	(4)4-06-006:087	Final	08/21/03
5096	PLANTATION AT PRINCEVILLE THE	LOT 1-A PARC1-B PEPELANI LOOP PRINCEVILLE HI	(4)5-04-005:023 96722	Prelim	08/25/03
5127	PUA KENI KENI	LOT 6 MAKALEHA FALLS KAPAA HI	(4)4-06-006:084	Final	08/21/03
3540	PUALANI TERRACE - COMMERCIAL INCR	MAMALAHOA HWY KEALAKEKUA HI	(3)8-01-013:017 96750	Suppl 2	08/29/03
5160	SEAHORSE CENTER	75-5944 KUAKINI HIGHWAY KAILUA-KONA HI	(3)7-05-017:014 96740	Final	08/12/03
4943	SEASCAPE AT MAKAKILO	ELELE ST KAPOLEI HI	(1)9-02-019:056 96707	Final	08/07/03
5162	TIBURON PHASE 10	91-642 TO 91-664 MAKALE'A ST EWA BEACH HI	(1)9-01-010:082 96706	Prelim	08/04/03
4935	WAILEA BEACH VILLAS	3800 WAILEA ALANUI WAILEA HI	(2)2-01-008:091 96753	Final	08/20/03

Preliminary Reports: 4
Contingent Final Reports: 3
Final Reports: 33
Supplementary Reports: 4
Total: 44

Commissioner Imanaka recused himself from voting on project numbers 4935 and 5168.

Department of Planning – Kauai County

Ms. Sheilah Miyake, Deputy Director of Planning, County of Kauai Planning Department, reported that there is an epidemic of probable fraudulent CPR projects on Kauai and she is attending today's meeting to make the Commission aware of the probable problem. Ms. Miyake provided a letter and attached examples giving some indications that land ownership and sales do not conform with the county land use codes.

Ms. Miyake reported it appears that developers are using Chapter 514A laws to circumvent the county's land use and subdivision codes. She noted that the consumers who purchase these probable fraudulent CPR units come to the planning department to fix the problems; however, the Commission is the consumer protector and may be the best place to begin its inquiry with.

Chair Imanaka stated that the Commission will take a close look and respond to Ms. Miyake's concerns.

Consultants

It was reported that Mr. Tad Kaneko will be retiring at the end of this year. Mr. Kaneko is one of the longest standing condominium consultants of 42 years. The Committee thanked him for his energy, time and commitment to the condominium industry.

Program of Work:

Recodification of Chapter 514A

It was reported that there will be public hearings about the proposed recodification drafts on the following dates:

Kauai, Tuesday, September 16, 2003
Maui, Tuesday, September 23, 2003
Kona, Monday, September 29, 2003
Hilo, Tuesday, September 30, 2003
Oahu, Tuesday, October 7, 2003

Flyers were made available at the meeting for any interested parties and the flyer is also available on the Commission's website: www.hawaii.gov/hirec.

Everyone was welcomed to attend the hearings and provide input. The goal is to introduce a bill in January.

Advice Education and Referral – Highlights from August 2003 Inquiries

Specialist Yee provided the committee with written highlights of inquiries received from the public during the month of August.

Legislative Acts and Resolutions

Chair Imanaka reported that they have been meeting with Department of Health representatives and community members regarding issues with assisted living facilities and hopes to have something by the end of the year.

Specialist Yee reported that an informational meeting reporting on the group's progress with Act 185 is tentatively scheduled for October 14, 2003, 7:45 – noon, at the State Capitol and they hope to see many seniors and condominium owners there.

Condominium Organizations Forum:

No comments, recommendations or concerns were 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:

Mr. Neil Zaslow reported that he is on the board of a self-managed condominium and they have hired a property manager who does not have a real estate license. The property manager takes care of the day-to-day business, is an employee of the association and is not involved in rentals. Mr. Zaslow inquired if their property manager needs a real estate license. Chair Imanaka responded generally no where the AOA is self managed with employees.

Ms. Donna Preitauer stated that for a newly created CPR the broker must sign. She inquired if there was re-sale of this property years later can the original broker still be held responsible. Chair Imanaka responded that she should seek counsel for her specific situation.

Ms. Sandy Howatt stated that she is the newly appointed secretary for an AOA and was given the AOA re-registration form to complete and return. She stated that the form is quite hard to read and noted that the commission provides a start-up kit for the new AOA's. Ms. Howatt asked how she could get a start-up kit. Specialist Yee reported that the start-up kit is a kit on how to run the AOA and will not help in how to register an AOA and indicated her willingness to meet with her after the meeting and review the registration.

Mr. Larry Hinkel inquired about the legality of CPR properties with a guest house and no main residence. Chair Imanaka responded that this would be a county level issue as the CPR law is an ownership law and not a use law and referred Mr. Hinkel to the County Deputy Director present.

CMEF Budget & Finance Report:

No report presented.

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Next Meeting: Wednesday, October 8, 2003
Upon adjournment of the Education Review Committee meeting which follows the
Laws and Rules Review Committee meeting scheduled to convene at 9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Bldg.
1010 Richards Street, Second Floor
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Imanaka adjourned the meeting at
12:01 p.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

October 8, 2003

Date

Minutes approved as is.
 Minutes approved with changes; see minutes of _____