

CONDOMINIUM REVIEW COMMITTEE
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

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: June 9, 1999

Time: 1:30 p.m.

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

Present: Alfredo Evangelista, Chair
Alvin Imamura, Member
Helen Lindemann, Member
Michael Ching, Member
Iris Okawa, Member

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Gina Watumull, Condominium Specialist
Morris Atta, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: David Andrew, Case Bigelow & Lombardi
Jim Cribley, Case Bigelow & Lombardi
John Dotten, Lowell D. Funk, Inc. Managing Account

Excused: Mitchell Imanaka, Vice Chair
John Ohama, Member
Charles Aki, Member

Call to Order: Chair Evangelista called the meeting to order at 1:37p.m., at which time quorum was established.

Chair's Report: Chair Evangelista thanked Commissioner Lindemann for her service on the condominium review committee as this is her last meeting as a commission member. Commissioner Lindemann was encouraged to continue to attend the condominium review committee meetings and participate in its open forums.

Condominium Specialist's Report: **Additional Distribution**
The following materials were distributed prior to the start of the meeting:

Minutes: 3.a. Minutes of Previous Meetings
5.g. Condominium Bulletin - Informal Printing Quotes
Upon a motion by Commissioner Ching, seconded by Commissioner Lindemann, it was voted on and unanimously carried to accept the minutes of the May 14, 1999 Condominium Review Committee meeting as circulated.

Hawaii Real Estate Research and Education Center:

A copy of HREREC's report was included in the committee's packet. Steve Gilbert was excused from attending the CRC meeting due to illness.

Hawaii Condominium Bulletin - FY99, Volume 7, Number 4 (Summer 1999) issue is targeted for distribution by June 15, 1999.

Ballpark projection of RCUH return of Condominium Management Education Funds to the Real Estate Commission is \$9,400 plus to \$13,000 plus.

SEO Kimura reported that the final accounting cannot occur until the fiscal year has ended, June 30, 1999. After June 30, 1999, the Commission will secure a final accounting from RCUH and insure the transfer of the balance not expended.

SEO Kimura further reported that prior to June 30, 1999, REB staff, along with Commission members, would like to meet with Steve Gilbert on the final transition of HREREC.

Condominium Governance and Management:

Registrations - AOA Ratification Report

Upon a motion by Commissioner Imamura, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Associations of Apartment Owners through May 31, 1999 for the 1997-1999 Registration. The associations are as follows:

<u>Proj Name</u>	<u>Effective Date</u>
1133 Waimanu	04/21/99
1450 Young Street	04/21/99
Hauula Estates	05/19/99
Hillside Villas at Huala	05/13/99
Kihei Pacific Plaza	04/26/99
Streamside at Launani Valley	03/23/99

Upon a motion by Commissioner Imamura, seconded by Commissioner Lindemann, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates of June 30, 1999 for Association of Apartment Owners through May 31, 1999 for the 1999-2001 Registration. The associations are as follows:

1037 KAHUAMOKU	3346 EAST MANOA RD	ALEO HALE
1041 KAHUAMOKU	3388 SALT LAKE	ALEWA-LANI ESTATES
1073 KINAU	465 KAPAHULU	ALEXANDER GARDENS
1112 KINAU	627 & 631 HAUSTEN ST	ALII KAI II HANA LEI
1145 DAVENPORT	725 KIHAPAI PL	ALII PLANTATION
1330 WILDER	727 UNIVERSITY	ANGA-ROA CONDOMINIUM
1450 YOUNG STREET	75 KIHAPAI	BANYAN COVE
1616 KEWALO	855 OLOKELE THE	BEAUMONT WDS TERRACE
1635 YOUNG	965 PROSPECT	BEL-AIR PLAZA THE
1718 ANAPUNI	999 WILDER	BIG SURF
1833 ANAPUNI	AHUI MANU GRDNS UNIT1	BISHOP GARDENS
1906 FERN STREET	AIEA LANI ESTATES	CAMBRIDGE THE
1942/1946 PAUOA ROAD	ALA WAI COVE	CANDLEOOD CONDO
2018 FERN	ALA WAI EAST	CENTRAL/HALAWA IND BLDG
2024 WAIOLA	ALA WAI MANOR	CENTURY CENTER
2233 ALA WAI	ALA WAI PLAZA INC	CHATEAU NEWTOWN I
3019 KALAKAUA AVE APT	ALAELOA INC	CLIF VIEW TERRACE

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CLIFFS AT PRINCEVILLE	KIHEI PARK SHORE	NAMAHANA TERRACE
COLONY BEACH	KIHEI SURFSIDE	NAUPAKA
COLONY I	KIHEI VILLA	NEHOA PARK ESTATES
COLONY MARINA	KILAUEA PLAZA	NOB HILL
CONSULATE THE	KILEA GARDENS	NORTHBROOK-MELEMENU WD
COOLIDGE VILLA	KINAU VILLA	NUUANU STREAMSIDE
DIAMOND HEAD GARDENS	KING CHARLES	NUUANU TOWERS
DIAMOND HEAD HILLSIDE	KOKEA GARDENS	NUUANU WOODS
DORI APARTMENTS	KOKO HEAD VILLA	OAHU SURFI
EMERSON COURT	KOLO KAI	OAHU SURF II
EWA APARTMENTS	KOLOA GARDEN APTS	OCEAN VISTA
EWA BEACH TOWNHOUSE	KUAKINI MEDICAL PLAZA	OFICE CENTRE THE
EXECUTIVE CENTRE	KUAWA ROAD ESTATES	OHUA GARDENS
FAIRWAY HOUSE	KUHIO SHORES AT POIPU	OLALOA
FERN TERRACE	KUILIMA ESTATES EAST	OLU HALE KANOA
FOSTER TOWER	KULIOUOU KAI	ONE WATERFRONT TOWRES
GARDEN GROVES	KULIOUOU VALLEY VSTA-UNIT II	PACIFIC GARDENS I
GOLF VILLAS THE	KULIOUOU VALLEY VISTAS	PACIFIC GRAND
HAIKU HALE	LAKE VIEW ROYAL	PACIFIC MANOR
HALE HUI KAI	LAKESIDE CORONET	PAKI MAUI
HAMPTON COURT	LAKESIDE HOLIDAY	PALANI VISTA
HARBOR SHORES APARTMENTS	LAKESIDE MANOR	PALEHUA HALE
HARBOR VIEW PLAZA	LEHUA NANI	PALEHUA TOWNHOUSES
HARBOUR RIDGE	LEINANI APARTMENTS UNIT	PALMS AT WAILEA PH 2 THE
HASSINGER THE	LIHOLIHO TOWNHOUSES	PALMS INC THE
HAUULA ESTATES	LIKINI GARDENS	PALO ALTO THE
HEALANI GARDENS	LILIHA SQUARE	PAN PACIFIC
HERITAGE HOUSE HAWAII-KAI	LILIOKALANI PLAZA	PARK TOWER THE
HEULU GARDENS	LUKEPANE COURT THE	PARKVIEW INC THE
HILO LAGOON CENTRE THE	LUKEPANE GARDENS	PARKVIEW SQUARE
HILO TERRACE	LUNALILO TOWER	PARKWAY PHASE C-1
HIRO'S LANE	LUSITANA GARDENS	PAUAAI GARDENS
HO'OKUMU AT WAIKELE	LUSITANA HALE	PAWAA GARDENS
HOLANIKU HALE	MAI HALE	PEARL KAI TERRACE
HOLIDAY APARTMENTS	MAKAHA BEACH CABANAS	PEARL NUMBER TWO THE
HOLIDAY TERRACE	MAKAHA SHORES	PEARL RIDGE GARDEN &
HOLIDAY VILLAGE	MAKAKILO GARDENS INC #2	PEARL RIDGE TOWER
INN ON THE PARK	MAKAKILO GARDENS INC #3	PENSACOLA VISTA
INTERSTATE BUILDING	MAKAKILO HALE II	PIKAKE MANOR
KAANAPALI PLANATION THE	MAKAKILO MALA	PLANTATION VIEW HALE
KAHALELAUNI	MAKAUA SHORES	POLYNESIAN SUNSET I
KAHANA REEF	MAKIKI CRESCENT	POMAIKAI
KAHE KAI	MAKIKI EAST	PRINCEVILLE PANIOLO
KAI NANI	MAKIKI HILLSIDE	PROSPECT ESTATES THE
KAIMUKI PARKSIDE	MAKIKI ROYAL	PROSPECT TOWER APT
KAIMUKIAN	MANOA TEI	PUAMANA
KAILOO TERRACE	MANOALANI	PUNAHOU ROYALE
KALA KAI MARINA (CPR #7)	MARCO POLO APT INC	PUNAHOU SURF
KALAPAKI VILLAS	MARINER'S VILLAGE TWO	PUNAHOU TOWER
KALOKOHANA BUSINESS CTR	MATLOCK HALE	PUNAHOU WILDER CONDO
KAM TOWERS	MAUI RELATY SUITES	PUNULUU KAI
KAMEHAMEHA GARDENS	MAUI VISTA	PUNCHBOWL PLACE
KANOELANI APARTMENTS	MAUNA LUAN THE	PUUEO VILLA
KAPAHULU VISTA APT	MCCULLY VILLA	PUIHALE GARDENS
KAPIOLANI TOWN HOUSE	MEHEULA HALE PATIO HOMES	QUEEN VICTORIA RESIDENCE
KAUHALE MAKAI	MERIDIAN EAST	RAINBOW TERRACE
KE NANI KAI	MILILANI MANOR	REGENCY PARK
KEALOHA ARMS	MILLER TERRACE	RIDGEWAY UNIT B PH 1
KEOLU SUMMIT	MONTE VISTA INC	RIDGEWAY UNIT D THE
KEWALO GARDENS	MOTT-SMITH LANILOA	ROSE AT LUSITANA THE
KIHEI BAY VISTA	NALANUI HALE	ROSE TERRACE

ROYAL GARDEN-MAKIKI
ROYAL KAHANA
ROYAL KUHIO
SANDALWOOD
TANTALUS VISTA APT
TERRACES MANELE BAY PH 1
TERRAZA
THOMAS SQUARE CENTRE
TIARE APARTMENTS
TOP OF THE HILL
TROPICANA MANOR-MOANALUA

VARSIY VILLA
VICTORIA PLAZA CONDO
VILLAS AT KOELE PHASE 1
VINEYARD APARTMENTS
WAI'AU GARDEN COURT
WAI'AU GARDENS KAI UNIT G
WAIKIKI COVE
WAIKIKI HOLIDAY
WAIKIKI JOY HOTEL
WAILANA SANDS
WAI'EA ELUA

WAILUKU EXECUTIVE CENTER
WAIPEHE APARTMENTS
WAIPIO GARDENS APT
WESTBURY THE
WILDER HALE
WILDER TERRACE
WILIWILI VISTA
WINDWARD COVE
YACHT CLUB TERRACE
YACHT HARBOR TOWERS

Specialist Watumull reported that for the 1997-1999 biennial AOA registration 1,370 applications have been received and 1355 AOAOs have successfully registered. 12 new AOAOs are currently deficient and 9 are pending RICO. There are still 12 projects for which no application has been received.

It was further reported that for the 1999-2001 biennial registration, 1,322 applications have been received, 267 AOAOs have successfully registered, 201 AOAOs are deficient. 70 applications have not been received and the balance are pending.

113 CMAs and 117 CHOs have successfully registered for the 1999-2000 biennium.

Specialist Watumull noted that this has been the best AOAO registration response received to date. Specialist Watumull thanked the condominium staff for their hard work and great effort in streamlining the registration process.

Condominium Bulletin

Specialist Yee reported that a request for a re-quote on the printing and mailing services of the Hawaii Condominium Bulletin was sent to those who originally submitted a quote. The purpose of the re-quote was to informally solicit for a different mailing process.

Committee members were provided with copies of all quotes, re-quotes and a spreadsheet of all quotes. Quotes were received from: AAA Quality Services of Hawaii, Fisher and Pioneer Printers, Service Printers, Inc., Pacific Printing, Hawaii Hochi, Ltd. and the Department of Public Safety - Correctional Industries.

Specialist Yee reported that AAA Quality Services of Hawaii, the current Hawaii Condominium Bulletin printing service has come in with the lowest quote. Specialist Yee is also looking into the option of mailing by bulk mail. This may reduce the postage cost for the State.

Upon a motion by Commissioner Ching, seconded by Commissioner Lindemann, it was voted on and unanimously carried to recommend approval to accept the informal quotes for the printing, mail prep, postage, and mailout of the Hawaii Condominium Bulletin submitted by AAA Quality Services of Hawaii dated June 1, 1999 and June 7, 1999 and to execute a small purchase contract for such services for one year with an option to renew for another year, subject to the deputy attorney general's review.

Specialist Yee further reported that staff did solicit quotes from the Hawaii Correctional Industries. They did not provide the lowest quote.

Condominium Project Registration - Public Reports Issued

Project Registration: Upon a motion by Commissioner Ching, seconded by Commissioner Lindemann, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates for public reports for the month of May 1999 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
4169	3164 & 3168 PAHOA AVENUE	3164 & 3168 PAHOA AVE HONOLULU HI 96816	(1)3-02-010:040	Final	05/28/99
4158	85-129 MAIUU ROAD	85-129 & 85-133 MAIUU RD WAIANA E HI 96792	(1)8-05-016:012	Final	05/03/99
4102	917 17TH AVENUE	917 & 917A 17TH AVE HONOLULU HI 96816	(1)3-02-048:030	Final	05/10/99
2922	GOO FARM	LOT 16 KALIHUWAI BAY EST KALAHEO HI 96754	(4)5-03-003:056	Suppl 2	05/24/99
4086	HALE O MAKANA	LOT 6-A & LOT 6-D LAE RD KALAHEO HI	(4)2-04-006:005	Final	05/21/99
4121	HOLOHOLA KU AT PARKER RANCH	RFD KAMUELA HI	(3)6-07-002:017	Prelim	05/10/99
4135	HOOKELE 3	73-4584 KUKUKI ST KAILUA-KONA HI 96740	(3)7-03-024:065	Final	05/10/99
4155	HUE WAI RANCH	LOT 4 VOLCANO FARM LOTS PUNA HI	(3)1-09-001:035	Final	05/05/99
4147	HULEMALU GARDENS	LOT 7-C HULEMALU RD LIHUE HI 96766	(4)3-02-002:034	Final	05/03/99
4100	KAINALU KILAUEA	LOT 2 & PARCEL 7-A HANA LEI HI	(4)5-01-005:008	Final	05/07/99
3968	KEKAHA SUNSET TEN	8260 A & B ELEPAIO RD KEKAHA HI 96752	(4)1-03-003:016	Suppl 1	05/05/99
3970	KEKAHA SUNSET TWELVE	8252 A & B ELEPAIO RD KEKAHA HI 96752	(4)1-03-003:017	Suppl 1	05/05/99
4139	KOHALA ESTATES LOT 560	LOT 560 KAHUA & WAIKA N KOHALA HI	(3)5-09-006:009	Final	05/07/99
2967	KUA EHU POINT ESTATES CONDO	4887 ALIOMANU RD ANAHOLA HI 96703	(4)4-09-004:033	Suppl 1	05/28/99
4144	LOMBARD WAY PHASE G	91-1031 HO'OMAKA ST EWA BEACH HI 96706	(1)9-01-102:050	Final	05/21/99
4134	LOMBARD WAY PHASE H	91-1025 HO'OMAKA ST EWA BEACH HI 96706	(1)9-01-102:050	Final	05/05/99
4124	MCMILLAN 1 CONDO PROJECT	LOT 1 MCMILLAN SUBDIV S KOHALA HI	(3)6-04-017:008	Final	05/04/99
4047	WAIKOMO CONDOMINIUM	3355 PUNI RD KOLOA HI 96756	(4)2-08-011:006	Final	05/18/99
2629	WAIPAKE HEIGHTS	WAIPAKE SUBDIV UNIT I HANA LEI HI 96714	(4)5-01-006:001	Suppl 1	05/24/99

Preliminary Reports: 1
 Final Reports: 13
 Supplementary Reports: 5
 Total: 19

Condominium Names - Donald H. Wilson, Esq.

A request by Donald H. Wilson, Esq. has been received requesting that the Real Estate Commission consider adopting a rule which would require that developers of condominium projects secure a name clearance from the Business

Registration Division of the proposed condominium project. The request is a result of the experience of his client, Namahana Farms, Inc., a Hawaii corporation, with an agricultural condominium registered under the name of Namahana Farms. The names are identical and there is a possibility for confusion between the two separate entities.

Specialist Yee reported that this is not a common problem that the Commission is aware of.

Upon a motion by Commissioner Lindemann, seconded by Commissioner Ching, it was voted on and unanimously carried to take the matter under advisement.

Request for Informal Non-binding Opinion - Diamond Head Alii

In attendance on behalf of Diamond Head Alii were David Andrew, Esq. and James Cribley, Esq. of Case Bigelow and Lombardi, attorneys for the developer and Mr. John Dotten of Lowell D. Funk, Inc., managing agent of Diamond Head Alii.

Mr. Andrews reported that Diamond Head Alii, Corp., a Hawaii corporation, is requesting that the commission issue an informal non-binding opinion that the conversion of the Diamond Head Alii cooperative housing project to condominium status is not subject to (a) Part VI of Chapter 514A, HRS, relating to Sales to Owner-Occupants and (b) the requirement of providing a broker listing agreement.

Mr. Andrews further reported that there is no intent to sell to the general public. Of the 54 co-op lessees, approximately 21 are owner occupants with the remaining 33 co-op lessees renting their apartments to tenants. Only a few of the co-op lessees intend to sell their apartments upon conversion of their apartments to condominium status.

Mr. Andrews noted the Nanea case, a declaratory ruling case, involved a leasehold apartment building conversion to condominium status. The developer did not intend to sell or offer to sell in connection with the project and made no representation regarding the intention of individual sublessees to sell or offer to sell their individual units at a future date. In that case, the state stipulated to the fact that there was no intent to sell and agreed that Parts III (Registration and Administration) and IV (Protection of Purchasers) of Ch. 514A, HRS, did not apply to the conversion of the Nanea Apartments. The hearings officer found that because the developers of the project did not intend to offer for sale or sell any of the units, the purpose of the public report was not implicated.

Mr. Andrews reported that although the Nanea case did not specifically reference part VI of Ch. 514A, HRS, the hearings officer's findings that the fifty percent owner-occupant requirement should not apply to the conversion of the Nanea Apartments strongly suggests that part VI, like parts III and IV, also did not apply to the conversion.

Based on the Nanea case, Mr. Andrews argued that because the 54 units in the Diamond Head Alii project will not be sold or offered for sale to prospective purchasers by Diamond Head Alii, upon conversion of the project to condominium status, the registration (part III), public report (part IV) and fifty percent owner-occupant (part VI) requirements should not apply. Nevertheless, Diamond Head Alii and DHA FEE will fulfill the registration (part III) and public

report (part IV) requirements. Based on the analysis, only a waiver of the sales to owner-occupants (part VI) requirements is being requested.

Diamond Head Alii also requested a waiver of the the broker listing agreement submission. The legal transfer of apartments to the co-op lessees will be pursuant to an agreement providing that DHA FEE and Diamond Head Alii will convey their respective interests in the Land and apartments to the co-op lessees in exchange for the co-op lessees' respective shares of stock, proprietary leases, parking stall leases and membership interests. The hiring of a real estate broker for these transactions did not appear applicable.

Committee members asked why the LLC is involved.

Mr. Cribley reported that Diamond Head Alii had recently completed a lease to fee conversion. The LLC was set up as a pass-through entity for tax purposes.

Deputy Attorney General Wong questioned if it is the policy of owner-occupants to give renters an opportunity to purchase, what is the reason that it would not apply in the Diamond Head Alii issue?

Mr. Andrews reported that the apartments are owned by individuals.

Deputy AG Wong asked what if the corporation owned the whole building, how would this differ from the Coop? What precludes Mr. Andrew's client from complying with the requirement that first sales offering must be made to 50% owner-occupants?

Mr. Andrews responded that if the corporation owned the whole building and had tenants, when converted they would not be able sell to the general public.

Mr. Cribley added that the co-op lessees are stockholders and are apartment owners who have leases and stock in Diamond Head Alii. Sales to the general public are subject to existing proprietary leases in favor of a co-op lessee.

Deputy AG Wong inquired whether shareholders as opposed to a normal corporation have a particularized interest in apartment A or B. Does this restrict the right to alienate?

Mr. Cribley replied that shareholders have a specific right to a specific apartment and upon conversion it would be unjust and unreasonable to dispose them of that specific apartment. Since each of the apartments is subject to a proprietary lease in favor of a co-op lessee, Diamond Head Alii will not have the right to sell the apartments to the general public. This conversion is different from the traditional method in that there is no sale or offer of sale to the general public. After conversion, the current occupants and renters would still continue to live there and rent. No renters are being displaced in this case. 100% of the owners voted for the conversion. Currently DHA FEE is the fee owner of Diamond Head Alii. Mr. Cribley further noted that DHA FEE and Diamond Head Alii will convey their respective interests in the land and apartments to the co-op lessees in exchange for the co-op lessees' respective shares of stock, proprietary leases, parking stall leases, and membership interests. Upon completion of the conversion and conveyance, the co-op and LLC owned by the co-op can be dissolved.

Specialist Yee asked why Diamond Head Alii would want to get a public report.

Mr. Cribley replied that Diamond Head Alii does not actually want to get a public report, but that the lender is requiring it.

Upon a motion by Commissioner Imamura, seconded by Commissioner Ching, it was voted on and unanimously carried to take the matter under advisement.

Consultant Workshops and Meetings

Chair Evangelista reported that no comments were received from the condominium consultants on the Chair and Vice Chair recommendations from the workshop.

The committee reviewed the report prepared and submitted by Chair Evangelista, Vice Chair Imanaka and Specialist Yee.

Upon a motion by Commissioner Imamura, seconded by Commissioner Lindemann, it was voted on and unanimously carried to recommend approval to accept CRC Chair and Vice Chair's recommendations from the condominium consultant's workshop of May 25, 1999. The recommendations arrived at by consensus are as follows:

- 1) Staff's recommendation that the following disclosures be included in the Commission's approved developer's public report form: general governance and rights of apartment owners types of disclosures; non registration of AOA(impacts on standing to sue); reserves and the soon approaching deadline of January 1, 2000; and realities/tenets of condominium living (self governance, majority rules, limited government involvement).
- 2) That the Real Estate Branch notify pro se developers of its obligations and responsibilities and that the consultant is not available to assist, recommend, or advise developer on its project registration. Termination of processing application procedures.
- 3) That the Commission adopt a policy requiring the developer to prepare and submit a separate developer's public report for each phase of a multi-phased condominium project.
- 4) Commission facilitate a workshop for consultants at least twice a year, preferably in December and June. Suggest that consultants take turns to lead the workshop as it should be more of a consultant-developed workshop. The Commission and staff to help facilitate and provide support. The curriculum for the workshop should be developed at least a month in advance. The room should be conducive for a workshop and all Commissioners should be invited to participate.
- 5) That consultants uniformly, where applicable, require developers to make the following disclosures:
 - a) In conversions, lead paint;
 - b) Sex offenders (Megan's law);
 - c) SMA conditions;
 - d) Access to a public street or highway or to a common element or elements leading to a public street or highway;
 - e) Hawaiian burial and artifacts;
 - f) Hawaiian gathering rights, especially where indicated in the title report;
 - g) Reserve requirements, how the requirements would be met; and deadline.

Program of Work: **Neighbor Island Outreach**

The July committee meetings will be held on the island of Maui on Thursday, July 8, 1999, with this committee meeting at 1:30 p.m. at the Outrigger Wailea Resort.

Condominium Seminars - Report on First CMEF Subsidized Seminar

Specialists Yee, Watumull and Atta monitored the seminar and provided a written report to the committee. Specialist Yee reported that the seminar was well attended by condominium apartment owners, board members and managing agents. The seminar "Almost Free Legal Advice" was held in a talk show format with panel members sitting on stage on a sofa. A question and answer session was employed. Many of the questions asked of the panelists were similar to those asked of the Condominium Specialists daily. The answers provided were also similar to those provided by the Condominium Specialists.

Pursuant to the contract, CAI Hawaii made the appropriate verbal and written acknowledgements and announcements, including signs, regarding the CMEF subsidy.

Chair Evangelista requested that CAI Hawaii provide the commission with a copy of the evaluations received by participants on the seminar.

Condominium Specialist Office for the Day

Specialist Watumull provided a written report on the Real Estate and Condominium Specialists Office for the Day held in Kona on May 10, 1999. Specialist Watumull met with 4 very disgruntled condominium owners. Each appointment lasted approximately 1 hour.

Specialist Watumull recommended holding joint real estate and condominium specialists office for the day every year, perhaps spaced further apart from any neighbor island outreach and batch renewal sessions on the same island as the committee meetings were to be held in Kona 4 days following the specialists office for the day. This may increase attendance to the specialist office for the day event.

Condominium Speakership Program

SEO Kimura submitted a written report on behalf of himself and Commissioner Ohama. On May 5, 1999, both SEO Kimura and Commissioner Ohama met with seven representatives from Pudong New Area Administration Bureau, Shanghai, China. Commissioner Ohama provided an overview of the Commission, condominium property regimes and real estate licensing. This was followed by a more lengthy question and answer session, including an exchange of information.

Program of Work, FY00

Although this committee has invited those in the condominium community and governance organizations through distribution of the Committee Chairs invitation memorandum, the Committee has not received any written comments or recommendations as well as any testimony at the meeting for the program of work for fiscal year 2000.

- 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.
- CMEF Budget & Finance Report: Upon a motion by Commissioner Imamura, seconded by Commissioner Ching, it was voted on and unanimously carried to recommend approval to accept the pro forma report for the period ending April 30, 1999.
- Executive Session: Upon a motion by Commissioner Imamura, seconded by Commissioner Ohama, 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 Imamura, seconded by Commission Okawa, it was voted on and unanimously carried to move out of executive session.
- Condominium Project Registration: **Condominium Names - Donald H. Wilson, Esq.**
- Upon a motion by Commissioner Imamura, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval to direct staff to write a letter informing Donald H. Wilson, Esq. that the Commission has declined to act on his client's request for rulemaking that would require developers of condominium projects to secure a name clearance from the Business Registration Division for the proposed condominium project; and that the REC understands that there are existing remedies available to address his client's concern.
- Request for Informal Non-binding Opinion - Diamond Head Alii**
- Upon a motion by Commissioner Ching, seconded by Commissioner Imamura, it was voted on and unanimously carried to recommend approval that the Real Estate Commission issue an informal, non-binding opinion that the conversion of the Diamond Heal Alii cooperative housing project to condominium status is not subject to (1) Part VI of Chapter 514A, HRS (relating to Sales to Owner-Occupants) and (2) the providing of a broker listing agreement; premised on the continuing existence of the following developer represented circumstances:
- One hundred percent of the shareholders of record (prior to the conversion) have agreed to the conversion of the cooperative to a condominium property regime and will be parties to the submission of the property to the condominium property regime;
 - Upon conversion, the developer will not sell or offer to sell the apartments to the general public; and the developer is unable to sell or offer to sell the apartments to the general public;

- With the exception of a few, existing shareholders, current shareholders and tenants will continue to reside in the apartments;
- Upon conversion, the existing tenants are permitted to continue their occupancy of the apartments, thus, complying with the purpose and intent of section 514A-105 (a), HRS;

Next Meeting: **Thursday**, July 8, 1999
1:30 p.m.
Outrigger Wailea Resort
3700 Wailea Alanui
Wailea, **MAUI**

Adjournment: With no further business to discuss, Chair Evangelista adjourned the meeting at 2:47 p.m.

Respectfully submitted:

Cynthia M. L. Yee
Senior Condominium Specialist

Date

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

CY:tn