

**CONDOMINIUM REVIEW COMMITTEE**  
Real Estate Commission  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: May 8, 2003

Time: 9:30 a.m.

Place: Kona Board of REALTORS®  
Conference Room  
75-240 Nani Kailua Drive, Suite 157  
Kailua-Kona, Hawaii

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

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

Others: Representative Mark Jernigan  
Lopaka  
Robert Moitoza  
Wanda Moitoza  
Bonnie Ramelli  
Kris Johnson  
Deanna DeMello  
Matthew Froncek  
Brian Templar  
Kaili Kaaua  
Tom Short  
Les Miller  
Rick Miller

Excused: Marshall Chinen, Member  
Patricia Choi, Member

Call to Order: Chair Imanaka called the meeting to order at 9:30 a.m., at which time quorum was established.

Chair Imanaka thanked Commissioner Yamanaka for his hospitality.

Commissioner Rice was introduced as the Vice Chair of the Condominium Review Committee.

Chair's Report: No report was presented.

**Condominium Specialist's Report: Additions to the Agenda**

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

- 6. Program of Work, FY03
  - c. Hawaii Condominium Bulletin

Minutes: Upon a motion by Commissioner Abrams, seconded by Commissioner Ohama, it was voted on and unanimously carried to accept the minutes of the April 7, 2003 Condominium Review Committee meeting as circulated.

**Condominium Governance and Management: AOA Registrations**

Upon a motion by Commissioner Okawa, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval to ratify effective dates of July 1, 2003 for the AOA 2003-2005 biennium registrations received through April 30, 2003. The associations are as follows:

<u>Project Name</u>	<u>Reg Date</u>	<u>Project Name</u>	<u>Reg Date</u>
1001 WILDER	7/1/2003	1010 WILDER	7/1/2003
1041 KAHUAMOKU	7/1/2003	1112 KINAU	7/1/2003
1541 DAVENPORT PLACE	7/1/2003	1906 FERN STREET	7/1/2003
2465 KUHIO AT WAIKIKI	7/1/2003	2638 NAKOO CONDO PROJ THE	7/1/2003
3003 KALAKAUA	7/1/2003	725 KIHAPAI PLACE	7/1/2003
75 KIHAPAI	7/1/2003	A'ELOA TERRACE	7/1/2003
ALA WAI MANSION	7/1/2003	ALAELOA INC	7/1/2003
ALEWA-LANI ESTATES	7/1/2003	ALEXANDER ARMS	7/1/2003
ALIKA THE	7/1/2003	ARBORS THE	7/1/2003
BEAUMONT WOODS TERRACE CONDO	7/1/2003	BOARDWALK THE	7/1/2003
CANAL HOUSE	7/1/2003	CENTRE COURT THE	7/1/2003
CENTURY PARK PLAZA	7/1/2003	COLONNADE ON THE GREENS	7/1/2003
COUNTRY CLUB VISTA	7/1/2003	CROWNE AT WAILUNA THE	7/1/2003
EVERGREEN TERRACE	7/1/2003	FAIRWAY TERRACE	7/1/2003
GARDENS UPCOUNTRY THE	7/1/2003	GOLF VILLAS THE	7/1/2003
HAIKU GARDENS	7/1/2003	HALE HUKI	7/1/2003
HALE KALOAPAU	7/1/2003	HALE LUANA	7/1/2003
HALE LUMI	7/1/2003	HALEIWA SURF	7/1/2003
HIKINO	7/1/2003	HIRO'S LANE	7/1/2003
HO'OMALU AT WAIKELE	7/1/2003	HOKUAHI APARTMENTS	7/1/2003
HONO HALE TOWERS	7/1/2003	HORIZON VIEW TOWER	7/1/2003
HUALI VISTA	7/1/2003	IHONA	7/1/2003
IKENA LALO	7/1/2003	ILIKAI MARINA APARTMENT BLDG	7/1/2003
ILIMA WEST APARTMENTS	7/1/2003	ISLAND SURF THE	7/1/2003
ISLES@DIAMOND HEAD BCH THE	7/1/2003	KAHALA AT POIPU KAI I	7/1/2003
KAHALA VIEW ESTATE	7/1/2003	KALA COTTAGE	7/1/2003
KALANI-IKI ESTATE	7/1/2003	KAMEHAMEHA GARDENS	7/1/2003
KANOE PALMS	7/1/2003	KAPALAMA GARDENS	7/1/2003

KAPILI BUSINESS CENTER	7/1/2003	KAPIOLANI TERRACE	7/1/2003
KE KUMULANI	7/1/2003	KE NANI KAI	7/1/2003
KEAUHOU PALENA	7/1/2003	KEKUILANI VILLAS	7/1/2003
KIHEI PACIFIC PLAZA	7/1/2003	KIHEI SURFSIDE	7/1/2003
KILEA GARDENS	7/1/2003	KINAU REGENT	7/1/2003
KOLO KAI	7/1/2003	KONA MANSIONS V INC	7/1/2003
KONA PACIFIC INC	7/1/2003	KUAWA ROAD ESTATES	7/1/2003
KUILEI GARDENS	7/1/2003	KUILIMA ESTATES EAST	7/1/2003
KUILIMA ESTATES WEST	7/1/2003	KULALANI VILLAGE	7/1/2003
LAULE'A	7/1/2003	LEINANI APARTMENTS UNIT I	7/1/2003
LEOLUA REGENT	7/1/2003	LIKINI GARDENS	7/1/2003
LOKAHI GARDEN	7/1/2003	LUKEPANE GARDENS	7/1/2003
MAKAKILO CLIFFS	7/1/2003	MAKAKILO GARDENS INCR NO 3	7/1/2003
MAKENA PLACE	7/1/2003	MAKIKI APARTMENTS	7/1/2003
MAKIKI CLIFFS	7/1/2003	MAKIKI TOWERS	7/1/2003
MAKIKI VISTA	7/1/2003	MAKOLEA THE	7/1/2003
MALANAI IKI	7/1/2003	MANAI HALE	7/1/2003
MAUI KAI	7/1/2003	MAUI REALTY SUITES	7/1/2003
MAUNA LANI TERRACE	7/1/2003	MAUNA LUAN THE	7/1/2003
MILILANI MANOR	7/1/2003	MILILANI PINNACLE	7/1/2003
NAPILI LANI	7/1/2003	NAPILI PUAMALA	7/1/2003
NAPILI SHORES	7/1/2003	NAPILI SURF	7/1/2003
NENEHIWA GARDENS	7/1/2003	NOB HILL	7/1/2003
OAHU SURF I	7/1/2003	OFFICE CENTRE THE	7/1/2003
PALIULI	7/1/2003	PALM VILLAS	7/1/2003
PALM VILLAS II	7/1/2003	PEARL NUMBER TWO THE	7/1/2003
PEARL REGENCY	7/1/2003	PENAKII	7/1/2003
PENSACOLA VISTA	7/1/2003	PIIKOI PLAZA	7/1/2003
PIIKOI TOWER INC	7/1/2003	PINE KNOLL VILLAS	7/1/2003
PLEASANTON THE	7/1/2003	POHA KEA POINT PHASE III	7/1/2003
POHA KEA POINT PHASE IV	7/1/2003	PRINCE DAVID APARTMENTS	7/1/2003
PUNA II	7/1/2003	PUNA POINT	7/1/2003
PUNAHALA APARTMENTS	7/1/2003	PUNAHOA BEACH APARTMENTS	7/1/2003
PUU IKI	7/1/2003	PUUNOA BEACH ESTATES	7/1/2003
RIDGECREST-MELEMENU WOODLANDS	7/1/2003	RIDGEWAY UNIT B PHASE I THE	7/1/2003
ROYAL KAHILI	7/1/2003	ROYAL MAUIAN THE	7/1/2003
ROYAL PALM AT WAIPIO THE PH II &	7/1/2003	ROYAL QUEEN EMMA	7/1/2003
SAKURA	7/1/2003	SIERRA GARDENS	7/1/2003
SUN RISE	7/1/2003	SUN VILLAGE-KAUAI	7/1/2003
TROPICANA VILLAGE-AIEA PH 2	7/1/2003	UNIVERSITY COURT	7/1/2003
VALLEYVIEW-MELEMENU WOODLANDS	7/1/2003	VILLAGE GREEN THE	7/1/2003
VILLAGE ON THE GREEN AT WAIKELE	7/1/2003	VILLAGE WEST PHASE 1	7/1/2003
VILLAS AT MAUNA KEA THE	7/1/2003	WAIKIKI IMPERIAL APARTMENTS	7/1/2003
WAIKOLOA HILLS CONDOMINIUM	7/1/2003	WAILEA EKAHI	7/1/2003
WAILEA EKOLU	7/1/2003	WAILUKU EXECUTIVE CENTER	7/1/2003
WAILUNA	7/1/2003	WINDWARD ACRES	7/1/2003
WINDWARD COVE	7/1/2003	YACHT HARBOR TOWERS	7/1/2003

Specialist Yee reported that as of April 30, 2003, 189 AOA applications, representing 18,985 units, were received. Of the 189 applications received, 161 were received online. In April, 150 AOAs have successfully registered for the 2003-2005 biennium.

The SEO reported that the Department is seeking to increase the availability of online services.

There were approximately 1,400 associations who were registered in the last biennium. If the three largest condominium managing agents opt for online registration, it will be successful.

Vice Chair Rice stated that online registration is so much easier.

Hawaii is one of the few states who started online registration without charging extra fees.

Chair Imanaka stated that it should be less expensive for consumers to register online.

The SEO stated that most states and counties have paper and online registration, which does not make it cost effective. The online AOA registration process is unique because AOAs can pay by electronic check or by credit card.

### **Education Advisory Group**

Specialist Yee reported that an educational advisory group was developed to provide the Commission with on-going recommendations and continuing directions for CMEF funded educational programs. Towards these ends, a survey was sent out to condominium owners. A subcommittee of the Advisory Group participated in the development of the survey which was actually conducted by graduate students from Hawaii Pacific University as part of their MBA graduate project. Staff has received a report back from the students and the Advisory Group is reviewing the report. The report is a working document and the results will be disseminated upon completion.

The SEO reported that this was a pilot project to see if it would be possible to work with a local university. In the past, the Commission has hired consultants to do professional surveys.

**Education Calendar** - Updated calendar of condominium events circulated for information. This information is also provided on the Commission's webpage.

Specialist Yee informed those present that Commission administers the Condominium Management Education Fund, which each apartment owners contributes \$4.00 every two years at the time of re-registration of the AOAs. Among other educational expenditures, monies from this fund are being used to purchase seminars or course offerings from, among other vendors, the Hawaii Chapter of the Community Association's Institute ("CAI-H"). CAI-H offers a number of educational courses throughout the year. The next basic course for board members, the "ABCs" seminar will be held on June 7, 2003, from 8:30 a.m. to 4:00 p.m. Specialist Yee recommended that new board members attend this course.

Specialist Yee informed those present that the Condominium Bulletin is sent out to the contact person of each registered association.

Commissioner Rice explained to those present that CAI is a national organization and provides resources and information on community associations, management and governance. The organization is made up of professional and condominium owners. CAI has its own research center.

Chair Imanaka informed those present that the CAI-H course will be held at the Honolulu Airport Hotel so that neighbor island attendees will be able to attend the seminar.

Specialist Yee informed those present that she had with her a limited number of Condominium Bulletins and informational sheets for those who were interested. She also explained that the seminars/courses that the CMEF subsidizes are paid in part by the registration fees that are collected from the registered associations.

**Condominium Related Articles**

The article entitled "Conflict of Interest Subject of Forum" from the *Condominium Council of Maui Newsletter* December 2002 was distributed for informational purposes.

The Condominium Council of Maui is an example of a community organization that is trying to educate the board members on the island of Maui. The Commission welcomes any neighbor island organizations involved with educating condominium associations to list their sessions/courses in the Condominium Bulletin.

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

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

Proj No	Project Name	Project Address	TMK #	Report	Date
5074	1023 & 1025 ALEWA	1023 & 1025 ALEWA DR HONOLULU HI 96817	(1)1-08-034:048	Final	04/29/03
5045	1510 MILLER	1510 MILLER ST HONOLULU HI 96813	(1)2-01-021:014	Final	04/11/03
5041	1701A & 1701B ALEWA HEIGHTS DR	1701A & 1701B ALEWA HGTS DR HONOLULU HI 96817	(1)1-08-029:025	Final	04/10/03
5040	45-1022 ANOI ROAD	45-1022 ANOI RD KANEHOE HI 96744	(1)4-05-021:019	Final	04/11/03
5047	47-227A & 47-227B WAIHEE ROAD	47-227 WAIHEE RD KANEHOE HI 96744	(1)4-07-013:043	Final	04/03/03
5012	84-361 MAKAHA VALLEY ROAD	84-361 MAKAHA VALLEY RD WAIANAE HI 96792	(1)8-04-019:019	Final	04/10/03
5027	94-1096 LUMIPOLU STREET	94-1096 LUMIPOLU ST WAIPAHU HI 96797	(1)9-04-057:044	Final	04/02/03
5057	ALII COVE	ALII DRIVE KAILUA-KONA HI 96740	(3)7-05-018:008	Prelim	04/29/03
5059	ALII PARK PLACE	LOT 3 APANA 3 TO M KAMAIKUI N KONA HI	(3)7-05-019:043	Prelim	04/10/03
2677	ALOHA KE AKUA (FKA LA'I I KAWAINUI)	1005-G KAILUA RD KAILUA HI 96734	(1)4-02-003:014	Suppl 1	04/16/03
5058	COCONUT PLNTN@KO OLINA RESORT & MARINA 5	92-1070 OLANI ST KAPOLEI HI 96707	(1)9-01-056:004	Prelim	04/23/03
4990	CORNWELL CONDOMINIUM	STAR ROUTE BOX 62 KULA HI 96790	(2)2-02-001:020	Final	04/21/03
5022	DELMONTE COURT #10	3136 HARDING AVE HONOLULU HI 96816	(1)3-02-010:056	Final	04/21/03
5005	DIAMOND HEAD TERRACE	3121 PUALEI CIRCLE HONOLULU HI 96815	(1)3-01-026:043	Final	04/17/03
4879	FAIRWAY VILLAS AT WAIKOLOA BEACH RESORT	WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-008:003	Final	04/01/03
5018	KIPLING'S COTTAGES	76-6027 MAMALAHOA HWY HOLUALOA HI 96725	(3)7-06-005:005	Final	04/21/03
4957	KOLEA CONDOMINIUM VILLAS BLDG 1	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
4958	KOLEA CONDOMINIUM VILLAS BLDG 2	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
4959	KOLEA CONDOMINIUM VILLAS BLDG 3	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03

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4960	KOLEA CONDOMINIUM VILLAS BLDG 4	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
4961	KOLEA CONDOMINIUM VILLAS BLDG 5	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
4962	KOLEA CONDOMINIUM VILLAS BLDG 6	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
4963	KOLEA CONDOMINIUM VILLAS BLDG 7	69-289 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-011:019	Cont Final	04/07/03
5011	KUA'EHU CONDOMINIUM	4880 & 4888 ALIOMANU RD ANAHOLA HI 96746	(4)4-09-004:004	Final	04/03/03
5036	LANIKEA AT WAIKIKI	KALIMOKU & OLOHANA ST HONOLULU HI 96815	(1)2-06-016:002	Prelim	04/02/03
5009	LAS BRISAS PHASE 3 & 4	91-298 TO 91-340 MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:082	Final	04/11/03
5062	LAS BRISAS PHASE 7	91-386 , 91-406 MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:082	Prelim	04/11/03
5063	LAS BRISAS PHASE 8	91-408, 91-428 MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:082	Prelim	04/11/03
5064	LAS BRISAS PHASE 9	91-430 , 91-450 MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:082	Prelim	04/11/03
4722	PENINSULA AT HAWAII KAI PROJ	520 LUNALILO HOME ROAD HONOLULU HI 96825	(1)3-09-008:016	Suppl 3	04/23/03
4849	PENINSULA AT HAWAII KAI PROJ III	520 LUNALILO HOME ROAD HONOLULU HI 96825	(1)3-09-008:016	Cont Final	04/11/03
4869	PENINSULA AT HAWAII KAI-PROJ I (151 UNITS)	520 LUNALILO HOME RD HONOLULU HI 96825	(1)3-09-008:016	Suppl 2	04/21/03
4964	PENINSULA AT HAWAII KAI-PROJ II	520 LUNALILO RD HONOLULU HI 96825	(1)3-09-08:036	Suppl 1	04/28/03
5048	ROBERTSON CONDOMINIUM	24 ELEU PLACE KIHEI HI 96753	(2)3-09-022:044	Final	04/29/03
4871	ROYAL PALM AT WAIPIO THE PH IV	94-539 PUAHI ST WAIPAHU HI 96797	(1)9-04-115:036	Suppl 1	04/03/03
4872	ROYAL PALM AT WAIPIO THE PH V	94-539 PUAHI ST WAIPAHU HI 96797	(1)9-04-115:036	Suppl 1	04/03/03
5016	TIBURON PHASE 5	91-583 MAKALE'A ST; 91-3067 MA EWA BEACH HI 96706	(1)9-01-010:082	Final	04/17/03
4547	VILLAGES AT MAUNA LANI THE	68-1025 NORTH KANIKU DR KOHALA HI 96743	(3)6-08-022:004	Suppl 7	04/10/03
5042	WAIKIKI GALLERIA TOWER	2222 KALAKAUA AVE HONOLULU HI 96815	(1)2-06-019:037	Prelim	04/14/03
4926	WAIKOLOA COLONY VILLAS	69-555 WAIKOLOA BEACH DR WAIKOLOA HI 96738	(3)6-09-07:035	Final	04/30/03
4998	WONG CONDOMINIUM	64-5249 GILLIARD RD KAMUELA HI 96743	(3)6-04-017:015	Final	04/21/03
5051	WOODCREEK CROSSING	WIKAO ST MILILANI HI 96789	(1)9-05-002:004	Prelim	04/16/03

Preliminary Reports: 9  
Contingent Final Reports: 0  
Final Reports: 18  
Supplementary Reports: 7

Total: 42

The following recused themselves from voting on the projects listed below:

Chair Imanaka – The Peninsula at Hawaii Kai, Project I, I (151 units), II, and III and  
The Royal Palm at Waipio Phase V  
Commissioner Rice – The Villages at Mauna Lani  
Commissioner Yamanaka – Fairway Villas at Waikoloa Beach Resort

### Project Statistics

The committee noted the average time for all types of public reports was 29 days, which is outstanding when compared to other agencies and other states. Staff to redirect monitoring of public reports to those public report filings over 60 days and

issue a written notice of unsatisfactory contract performance, especially if the average is over 60 days without extenuating circumstances.

#### **Diamond Head Terrace – Deferral from February 12, 2003**

The CRC had requested a letter regarding Diamond Head Terrace. Staff had received the requested letter and the Final Public Report was issued.

#### **Letter from City and County of Honolulu dated April 1, 2003 – Condo Maps**

Specialist Yee reported that the City and County of Honolulu had requested that the developers submit the condominium maps to the County of Honolulu because it is overly burdensome to get the maps from the Bureau of Conveyances. The Commission can request that the developers do this, but they cannot require it since it is not mandated by law.

Chair Imanaka stated that he did not have a problem asking the developers to submit a copy of the map to the county.

Commissioner Abrams stated that the County of Kauai requires that the documents be provided to the county in digital format.

The maps are filed with the Bureau of Conveyances. The Commission does not have the official copy of the map.

The maps for the County of Kauai are scanned into a jpg file. If the requestor would like to pursue it further, they could ask for a title report.

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to recommend approval to request that each condominium project registration applicant distribute a copy of the condominium map of the subject project to the applicable county agency who submits a written request to the REC, simultaneously with the REC filing. It was further recommended that a written notice be issued to the county agency, 1) that they will have to share the condominium map with other agencies or make additional copies for the other county agencies, and 2) that the condominium map may be amended from time to time and that the official depository for such amendments and the original condominium map is the Bureau of Conveyances and not the REC. For the City and County of Honolulu, it will be the Real Property Assessment Division. Staff to inquire with the other three county governments as to which agency desires to have a copy of the condominium map subject to the aforementioned caveats.

#### **Case Law Review Program**

The following were distributed for informational purposes: *Small Landowners Association et al vs. City and County of Honolulu*, 2002 Haw. LEXIS 396 and *Violet Leong Kau et. Al vs. City and County of Honolulu*, 2001 Haw. App. LEXIS 199.

It was recommended that the Oahu consultants make references in the public report that there is an ordinance for the City and County of Honolulu that says that if at least 50 percent of the owner-occupants want to purchase the leasehold, they can request

that the City condemn the land and the owner-occupants would be able to buy the land from the City.

Program of Work: **Recodification of Chapter 514A**

Specialist Arakaki has been working on the recodification of Chapter 514A, HRS, for the past two years. Public hearings relating to the recodification proposal will be held on Oahu, Maui, Kauai and the island of Hawaii. The Commission encourages those who are interested in the recodification to view the latest draft online. The Commission hopes to introduce legislation during the next legislative session.

Specialist Yee explained that the condominium statute deals with the offering and sale of condominiums and various provisions for living in a condominium, such as the availability of the minutes from the board of directors meetings, the ability to attend board meetings, etc. For these reasons, condominium apartment owners should be concerned with the recodification. She also invited those present to view the information on the recodification online and to submit their comments to the Commission.

**Hawaii Condominium Bulletin**

At the last committee meeting, Commissioner Okawa had asked if the present printer was still the most reasonable one. As a result of that, staff provided the printing specifications to the current contractor and other printers and requested that they submit their informal quotes to staff. It was found that the current contractor is still the most economical one.

Upon a motion by Commissioner Rice, seconded by Commissioner Abrams, it was voted on and unanimously carried that pursuant to the automatic renewal for the successive one-year term provision of the existing contract agreement with the Commission, the Committee recommended approval to automatically renew the Commission's Agreement for Consultant Service with Pioneer Ventures, Inc., dba Fisher & Pioneer Printers, for July 1, 2003 through June 30, 2004, subject to the same terms and conditions of the existing Agreement, and subject to the availability of funds in the Condominium Management Education Fund.

Commissioner Okawa thanked Specialists Yee and Leong for soliciting the informal price quotes.

**Government and Legislative Participation Report**

The SEO reported that House Bill No. 75, H.D. 2, S.D. 1, is moving along. This bill extends the deadline for the recodification project.

House Bill No. 1152, H.D. 1, S.D. 1, C.D. 2 passed both the House and the Senate. The bill proposes to take \$150,000 from the Real Estate Education Fund and \$15 million from the Compliance Resolution Fund. As a result of that bill, the Condominium Management Education Fund will most likely be impacted as it may have to pay for condo services that was paid for by affected funds.



The Commission has managed the funds under its control. The Condominium Management Education Fund fees have not been increased since its inception. The Chair would like to increase the education programs for condo.

The SEO reported that approval of Senate Bill Nos. 373, S.D. 1, H.D. 2 and 394, H.D. 1 were recommended for adoption. These bills relate to non-judicial foreclosures and delinquent maintenance fees. They are awaiting Governor's approval.

Senate Bill No. 1492, S.D. 1, H.D. 2, C.D. 1, relating to assisted living facilities, is pending. The last version of the bill states that the Department of Health and the Commission will work together during the interim. The Commission did not provide testimony on this bill. The Commission would be willing to participate with the Department of Health on a limited basis. Legislation will have to be drafted by the end of the year.

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.

CMEF Budget &  
Finance Report:

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend acceptance of the report for fund balances as of February 28, 2003.

Mediation is on the rise. On next year's program of work, staff will recommend more funds to be budgeted for mediation.

Open Forum:

Rick Wilson commended the Commission for being prudent in the management of the funds. Mr. Wilson remarked that he found it disturbing that the writing on the wall was not seen and the moneys could have been used prior to it being confiscated.

The SEO stated that the issue was discussed with the Hawaii Association of REALTORS. Over the past eight years, the Commission's ability to utilize the trust funds has been handicapped with across the board spending restrictions, budget restrictions, and being a "good soldier." In addition, a couple of programs, which would require a dramatic budget increase, have been deferred. The Commission has, in the past, faced the confiscation of Condominium Management Education Fund moneys. When the Real Estate Education Fund was threatened, staff brought this to the attention of the Hawaii Association of REALTORS and informed them that the licensees will be affected if this bill passes. This session, the Hawaii Association of REALTORS directed their efforts on protecting the Hurricane Relief Fund and not increasing the gross excise taxes. The funds that were affected in the bill involved the taking of millions of dollars.

Over the last ten or more years, the number of real estate licensees has been cyclical from 26,000 to 12,000 and the fees have never been increased. The Commission is aware that the real estate industry is unpredictable and that the

number of licensees could drop, which is why the Commission prudently saved the money. In the past, when the laws and rules on agency were passed, the Commission spent about \$100,000 on this to educate real estate licensees. If the recodification bill passes, the Commission may find it a necessity to spend moneys on educating the community about the changes.

The Commission has managed the moneys entrusted to them. The Commission approved in November/December 2002 a contract with Morgan Stanley Dean Witter for the investment of the funds to adhere to fiduciary duties to ensure no future increases in fees, and be prepared for any new unexpected educational obligations. The contract is still pending approval with the Attorney General's Office.

The Commission hoped that the real estate industry would voice their concerns about the taking of the moneys.

Vice Chair Rice informed those present that the real estate industry and the legislators need to oppose the bill.

During the last eight years, the Administration enforced budgetary ceilings and spending restrictions. Even if the Commission wanted to provide more educational programs, it could not because of the ceiling limits.

A participant reported that he is a new condo owner and he has problems at the condo where he lives. He noted that he needed outside intervention. He reported that there is one board member who has financial ties to every board member. He wanted to know who he could contact to discuss the solution to this problem. He was informed that the Commission was having a Condominium Specialist Office of the Day in conjunction with this meeting.

Another couple in the audience reported that they purchased a condo in November and they are unhappy with what is going on at the condo project. They have a problem with their condo management and want to make it better. Approximately 70% of those in the audience lived in the same condo project in Kona.

Those in attendance were invited to speak with Specialist Yee after the adjournment of the meeting.

Commissioner Yamanaka informed the audience of the Committee meeting schedule for the morning. He also informed them that the full Commission will be meeting at the end of the month.

Next Meeting:

Tuesday, June 10, 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

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Adjournment:               With no further business to discuss, Chair Imanaka adjourned the meeting at  
10:28 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

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Cynthia M. L. Yee  
Senior Condominium Specialist

June 10, 2003

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Date

Minutes approved as is.  
 Minutes approved with changes; see minutes of \_\_\_\_\_