

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: August 8, 2007

Time: 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.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: William Chee, Chair, Broker / Honolulu Commissioner
Mark Suiso, Vice Chair, Public / Honolulu Commissioner
Louis Abrams, Broker / Kauai Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Carol Ball, Broker / Maui Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner
Annette Aiona, Broker / Hilo Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Michael Sakai, Condominium Consultant

Absent: Frances Gendrano, Salesperson / Honolulu Commissioner

Call to Order: Chair Chee called the meeting to order at 10:23 a.m., at which time quorum was established.

Chair's Report: No report was presented.

The Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with Section 92-5(a)(1), HRS, and/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

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

4.d. Condominium Seminars and Symposium – CAI Hawaii Chapter “2007 Legislative Update & Aging in Place” July 21, 2007 - Evaluation

Minutes: Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the minutes of the July 11, 2007 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOAO Registrations

Specialist Gruppen reported that as of July 31, 2007, 1,429 AOAO Reregistration applications have been received of which 1,144 AOAOs have successfully registered for the 2007-2009 biennial registration.

Ad Hoc Committee on Condominium Education and Research

Vice Chair Suiso reported that the Ad Hoc Committee on Condominium Education and Research is looking for the CRC’s direction with respect to the Ad Hoc Committee’s priorities as noted:

1. Update REC’s Blue and Yellow Books, distribution to include: a) DVD format; b) one page summary of owner’s rights and association/board’s responsibilities (template State of Florida’s publication); distribution to include assistance by CMAs; c) Public service announcements.
2. REC to conduct an annual legislative update statement to include participation by REC staff; and
3. REC to compile laundry list of 514A and 514B, HRS, calls by major subject areas.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to approve the direction of the Ad Hoc Committee on Condominium Education and Research as set forth in their priorities submitted.

Condominium Seminars and Symposium – CAI Hawaii Chapter “2007 Legislative Update & Aging in Place” July 21, 2007 – Evaluation

A copy of staff’s evaluation sheet was distributed for informational purposes. It was reported that the seminar consisted of a yearly update of the laws. The Aging in Place seminar seemed to be repetitive of information presented in the past. The meeting room facility was very hot as there was no air conditioning at the time.

Case Law Review Program

The article “Condominium Association Can Sue Parent Association” from the July 2007 issue of *Community Associations Management Insider* was distributed for informational purposes.

Condominium Related Articles

The following articles from the July 2007 issue of *Community Association Management Insider* were distributed for informational purposes: “Use Mediation to Settle Disputes Quickly, Economically” and “Advise Boards to Use Discretion When Enforcing Rules.”

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Condominium Project **Condominium Project Registration - Public Reports Issued**

Registration: A list of those condominium projects issued effective dates during the month of July 2007 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	REPORT DATE
6382	1304 MATLOCK	1304 MATLOCK AVE HONOLULU HI 96814	124011060	B REPT 7/31/2007
6051	1431 10TH AVENUE	1431 10TH AVE HONOLULU HI 96816	133033039	SUPPL 7/10/2007
6277	1528/1530 HALEKOA DRIVE	1528 HALEKOA DR HONOLULU HI 96816	135039037	B REPT 7/5/2007
6358	1586 & 1588 ALEWA DRIVE	1586 ALEWA DR HONOLULU HI 96817	118031054	B REPT 7/19/2007
6347	1971 & 1973 PAULA DRIVE	1971 PAULA DR HONOLULU HI 96816	133021004	B REPT 7/19/2007
6355	4579 P WAIKALUA	4579 P WAIKALUA KANEHOE HI 96744	145005023	B REPT 7/30/2007
5838	4875 HAUAAALA ROAD	4875 HAUAAALA RD KAPAA HI 96746	446017019	SUPPL 7/2/2007
6345	51-422 LIHIMAUNA ROAD	51-422 LIHIMAUNA RD KAAAWA HI 96731	151011005	B REPT 7/2/2007
6356	618 10TH AVENUE	618 10TH AVE HONOLULU HI 96816	132027033	B REPT 7/11/2007
6346	933 AND 935 KAIPII STREET	933 KAIPII ST KAILUA HI 96734	143081085	B REPT 7/19/2007
6326	95 HUI ROAD F CONDOMINIUM	95 HUI RD F LAHAINA HI 96761	243016060	B REPT 7/19/2007
6342	99-466 ULUNE STREET	99-466 ULUNE ST AIEA HI 96701	199056023	B REPT 7/25/2007
5573	ARAKAKI FAMILY CONDOMINIUM	524 KAI HELE KU ST LAHAINA HI 96761	247009031	SUPPL 7/9/2007
6340	ATMOS CONDOMINIUM	250 AWALAU RD HAIKU HI 96708	227014066	B REPT 7/9/2007
5709	BEACH VILLAS AT KAHALU'U (PHASE 2)	78-6721 ALI'I DR KAILUA KONA HI 96740	378014086	SUPPL 2 7/12/2007
5715	BEACH VILLAS AT KO OLINA	92-102 WAILII PL KAPOLEI HI 96707	191057009	SUPPL 2 7/3/2007
6359	CALIFORNIA HALE	360 CALIFORNIA AVE WAHIAWA HI 96786	173004020	B REPT 7/2/2007
6228	GREEN STREET CONDOMINIUMS	1007 GREEN ST HONOLULU HI 96822	124017039	B AMEND 7/9/2007
6349	HALEKOU HILLSIDE	45-635 HALEKOU PL KANEHOE HI 96744	145102006	B REPT 7/30/2007
5723	HALI'I KAI (PHASE I)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 4 7/5/2007
5891	HALI'I KAI (PHASE IIA)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 3 7/5/2007
5724	HALI'I KAI (PHASE IIB)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 3 7/5/2007
5892	HALI'I KAI (PHASE III)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 3 7/5/2007
5911	HALI'I KAI (PHASE IV)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 3 7/5/2007
5671	HALI'I KAI (PHASE V)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	369010001	SUPPL 3 7/5/2007
6093	HONOIKI COTTAGES CONDOMINIUM	5232 OLD MAKENA RD KIHEI HI 96753	221007006	SUPPL 7/23/2007
6283	JULES VENTURA ESTATE	LOT 50 WAILUA HOUSELOTS KAPAA HI 96746	441008021	B REPT 7/25/2007
4229	KAHI LUANA	LOT8 ESTATE OF HOLUALOA N KONA HI	377007062	SUPPL 7/31/2007
6160	KAI ANI VILLAGE	1367 S KIHEI ROAD KIHEI HI 96753	239002091	B AMEND 7/24/2007
6060	KALAELOA HARBOR CONDOMINIUM THE	MALAKOLE ST KAPOLEI HI 96707	191074035	FINAL 7/24/2007
6006	KALANIPU'U	KALAPAKI LIHUE HI 96766	435001027	SUPPL 7/16/2007
6330	KAYDEN'S CONDOMINIUM	730 HAIKU RD HAIKU HI 96708	227019039	B REPT 7/19/2007
6279	KEALANANI KUMUKUMU PHASES 1 AND 2	2371 KEALIA RD KEALIA HI 96751	447004001	B REPT 7/31/2007
4680	KIHEI COMMERCIAL CONDOMINIUM II	300 OHUKAI RD KIHEI HI 96753	239045014	SUPPL 2 7/24/2007
6370	KIKIKINI 2	47-505 AHUIMANU RD	147057027	B REPT 7/24/2007

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6309	MANCINI-MCCRARY CONDOMINIUM	KANEOHE HI 96744 716 HOLOPUNI RD KULA HI 96790	223060053	B REPT	7/9/2007
6317	MANDEL CONDOMINIUM	1720 KAEHULUA PL KAPAA HI 96746	446026003	B REPT	7/2/2007
6215	MONTECITO/TUSCANY (TUSCANY 2 PH 7)	91-200 KEAUNUI DR EWA BEACH HI 96706	191010007	B AMEND	7/16/2007
6367	NANALA AT MEHANA	MANAWAI ST KAPOLEI HI 96707	191016131	B REPT	7/19/2007
6248	NOHONA KAI AT MAUNA LANI	68-1312 N PAUOA RD KAMUELA HI 96743	368022014	B AMEND	7/11/2007
6361	OLIVE AVENUE ESTATES	246 OLIVE AVE WAHIAWA HI 96786	173002094	B REPT	7/17/2007
6298	PARKSIDE AT KILANI THE	1106 KILANI AVE WAHIAWA HI 96786	174009002	B REPT	7/31/2007
6353	PUEO HOMESTEADS	430 CALASA RD KULA HI 96790	222014005	B REPT	7/19/2007
6288	PUUONE GARDENS	471 LIHOLIHO ST WAILUKU HI 96793	238037019	B REPT	7/10/2007
6354	SEASCAPE CONDOMINIUM PH II, III & IV	NUUANA ST KAILUA KONA HI 96740	373010051	B REPT	7/3/2007
6351	TANAKA ESTATES	4155 KAWILI ST LIHUE HI 96766	436019035	B REPT	7/10/2007
6362	THURSTON PLACE	1518 THURSTON AVE HONOLULU HI 96822	124016009	B REPT	7/24/2007
5603	VILLA DELMONTE JUDD	716 & 718 JUDD ST HONOLULU HI 96817	118020043	SUPPL	7/23/2007
4547	VILLAGES AT MAUNA LANI THE	68-1025 NORTH KANIKU DR KOHALA HI 96743	368022004	SUPPL 12	7/2/2007
6196	WAILEA BEACH RESORT & RESIDENCES	3550 WAILEA ALANUI DR WAILEA HI 96753	221008067	B AMEND	7/23/2007
6373	WAINIHA HUI ESTATES	WAINIHA POWER HOUSE RD WAINIHA HI	458004027	B REPT	7/25/2007
6305	WAIPIO BUSINESS CENTER	94-1363 MOANIANI ST WAIPAHU HI 96797	194128005	B AMEND	7/9/2007

Final Reports:	1
Supplementary Reports:	17
B Reports:	28
B Amendment Reports:	6
Total:	52

Chair Chee requested that staff include in its distribution information regarding the size of the project.

SEO Kimura noted that during the next procurement for condominium consultants, the Commission may want to look into hourly fees versus flat fee. There are some project reviews that take a lot of the consultants' time and resources in reviewing.

Deputy Attorney General Wong also noted that the Commission should look into expanding the pool and increasing the applicants. By the end of the year, many of the current condominium consultants will be reaching the fee cap of their current contract. Due to the complexity and fee caps the current structure is a factor for additional consultants.

Chapter 514B issues including §§514B-3 (“Common elements”, “Limited common element”), 32, 33, 37, 38, 39, 41, 104, 105, 106, 107, 108, 110, HRS, and other related sections

Specialist Yee reported that the Commission, based on the recommendations of the Commission's condominium consultants, has issued effective dates for developer's public reports for “non traditional” condominium projects. These condominium projects have non-traditional management and governance set up and does not fit squarely within the condominium law.

Non traditional condominiums may consist of two or more tiers of management entities or other management vehicles in addition to the one master association. The condominium law does not provide for a definition of "sub associations."

The discussion that followed included whether the bylaws and declaration or those projects issued effective dates permitted sub associations; the need for changing the laws to accommodate these types of project disclosures that should be made; intent of the condominium statute is self governance; types of issues to be addressed on a case by case basis; and the law allowing the board to delegate responsibilities.

Condominium consultant Michael Sakai, Esq. was present. Mr. Sakai noted that he has done research online and has found that both Georgia and Washington recognize sub associations and define what their powers are. Given that information and that Chapter 514B does not appear to address sub associations, he has discussed with the registrants to go with a different class of units rather than sub associations. He also noted that there appears no clear provision in the statute of allowing classes of associations or class common interest.

Consultant Sakai noted that class association will at least provide minimum board representation. There appears to be a need for legislation to address these areas in mixed-use projects.

Chair Chee noted for the interim period, disclosures should be required in the developer's public report regarding the minority interest/rights, separately and prominently until the issues are settled regarding sub associations. This will also provide for consumer protection.

Commissioner Abrams discussed some reservations about sub associations, less with class interest. Consumers need to clearly understand the disclosures about each.

Upon a motion by Commissioner Chee, seconded by Commissioner Suiso, it was voted on and unanimously carried to require developers to disclose in the developer's public report in plain language, the impact of any non traditional condominium management, operations, and governance provisions on prospective purchasers/minority unit owners rights.

Program of Work: **Condominium Laws and Education**

The Commission will be offering its second round of statewide condominium seminars. The seminars are scheduled as follows:

Mon., Sept. 10, 2007 – Waikoloa Beach Marriott Hotel (Kona) 1:30 pm – 4:30 pm
Tues., Sept. 11, 2007 – Imiloa Astronomy Center of Hawaii (Hilo) 9:30 am to 12:30 pm
Fri., Oct. 19, 2007 – Hilton Kauai Beach Resort (Kauai) 9:30 am to 12:30 pm
Wed., Oct. 24, 2007 – J. Walter Cameron Center (Maui) 9:30 am to 12:30 pm

Legislative Acts and Resolutions – SCR 160

SEO Kimura reported that staff has been meeting with and providing information to Auditor Millie Kim regarding the audit required by SCR 160. SCR 160 requests a sunrise review of the regulation of entities governed by Chapter 514A or 514B, Hawaii Revised Statutes, and the enforcement of policies relating to condominiums in the State through the creation of a condominium commission.

Neighbor Island Outreach – Kona, September 10, 2007

The Neighbor Island Outreach will be held in conjunction with the Condominium Specialist Office for the Day at the Waikoloa Beach Marriott Hotel on September 10, 2007 beginning at 9:30 a.m.

Condominium Specialist Office for the Day – Kona, September 10, 2007

Specialist Office for the Day will be held in conjunction with the Neighbor Island Outreach at the Waikoloa Beach Marriott Hotel on September 10, 2007.

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: No discussion presented.

CEF Budget & Finance Report: No report presented.

Next Meeting: September 10, 2007
Upon adjournment of the Education Review Committee meeting which follows the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.
Naupaka III Ballroom
Waikoloa Beach Marriott Hotel – Kona
69-275 Waikoloa Beach Drive
Waikoloa, Hawaii

Adjournment: With no further business to discuss, Chair Chee adjourned the meeting at 10:55 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

September 10, 2007

Date

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