

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: October 12, 2005

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: Stanley Kuriyama, Chair, Broker / Honolulu Commissioner
Michele Sunahara Loudermilk, Vice Chair, Public / Honolulu Commissioner
Louis Abrams, Broker / Kauai Commissioner
Kathleen Kagawa, Broker / Honolulu Commissioner
Carol Mae Ball, Broker / Maui Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Iris Okawa, Public / Honolulu Commissioner

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

Others: None

Absent: Vern Yamanaka, Broker / Hilo Commissioner

Call to Order: Chair Kuriyama called the meeting to order at 10:28 a.m., at which time quorum was established.

Chair's Report: No report was presented.

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

6.i. Interactive Participation with Organizations – Rural Community Assistance Corporation, National Conference on Affordable Housing in High Cost Areas, November 29-December 1, 2005

Minutes: Draft minutes of the September 14, 2005 CRC meeting – Commissioner Loudermilk noted typographical errors on page 8, paragraph 4, "access" should read "assess" and last sentence of paragraph should be deleted.

Upon a motion by Commissioner Abrams, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the September 14, 2005 Condominium Review Committee meeting with typographical corrections to be made to page 8.

Condominium
Governance and
Management:

Mediation & Arbitration – Informal Quotes Received

Specialist Yee reported that the previous contracts held for mediation services were terminated and the Commission has requested informal quotes for small purchase procurement for mediation services. Notices of the small procurement were sent out to interested vendors. All vendors who responded meet the selection criteria. Three of the five vendors submitted a fee structure in line with what the Commission's previous mediation contract fee structure. Two of the five vendors submitted different fee structures. Specialist Yee reported that after evaluating the vendors, all vendors can be considered and award be made to the most advantageous quotation.

Commissioner Loudermilk questioned the quote submitted by the Mediation Services of Maui and requested that the fee structure which they submitted be clarified.

Upon a motion by Commissioner Okawa, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval to accept the respective dated informal quotes received from the following vendors/contractors and to execute a small purchase contract with the following entities to provide mediation services for the resolution of condominium-related disputes on one or more of the islands as requested by State through the Commission as follows: 1) Kauai Economic Opportunities, Inc., September 14, 2005; 2) West Hawaii Mediation Center, September 1, 2005; 3) The mediation Center of the Pacific, Inc. September 8, 2005; and 4) Ku'ikahi Mediation Center, September 12, 2005.

Further recommend approval to have staff conduct additional further negotiations with the Mediation Services of Maui to clarify the amount of the proposed compensation, and to bring in line the compensation amount with that proposed by the other vendors/contractors.

AOAO Registrations

Specialist Yee reported that as of September 30, 2005, 1,432 AOAOs have successfully registered.

Upon a motion by Commissioner Okawa, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Association of Apartment Owners through September, 2005 for the 2005-2007 registration and further recommend that staff research whether the CRC is required to review and recommend

ratification of staff's monthly registration of AOAOs. The associations are as follows:

Project Name	Reg	Project Name	Reg
1545 LIONA	9/14/2005	ALA WAI MANSION	9/12/2005
ANAPUNI MANOR	9/7/2005	CLAIRMONT THE	9/6/2005
CORAL TERRACE APARTMENTS	9/20/2005	DESTINY III AT MILILANI MAUKA	9/22/2005
DYNASTY TOWER	9/19/2005	HALE HUI KAI	9/7/2005
HALE KAI O'KONA	9/19/2005	HARBOR LIGHTS	9/8/2005
HAUULA BEACH HOMES	9/20/2005	HOLUALOA BAY VILLAS	9/14/2005
IRONWOODS THE	9/9/2005	ISLANDER ON THE BEACH	7/19/2005
KAHANA REEF	9/2/2005	KAMAOLE ONE	9/21/2005
KOLOA GARDEN APARTMENTS	9/19/2005	KONA REEF	9/21/2005
KUKUAU PLAZA	9/28/2005	LEINANI APARTMENTS UNIT I	9/14/2005
MAKIKI CRESCENT	9/19/2005	MANGO HILLS	9/12/2005
MILLYARD EXECUTIVE SUITES	9/21/2005	MJJ APARTMENTS	9/13/2005
NALU NANI COURT	9/13/2005	OCEAN RESORT VILLAS	9/30/2005
PENSACOLA VISTA	9/22/2005	PHASE 2 KEAUHOU GARDENS	7/1/2005
ROYAL MANOA THE	9/21/2005	VALLEY VIEW TERRACE	9/9/2005
VILLAGES AT MAUNA LANI THE	9/21/2005	WAIKIKI HOLIDAY	9/7/2005
WAIMEA TOWN PLAZA	9/2/2005	WHITE SANDS VILLAGE	9/6/2005
Total:	34		

Condominium Seminars and Symposium – "ABC Basic Course" CAI Hawaii

CAI Hawaii is requesting that the Commission subsidize the "ABC Basic Course" to be conducted on Maui on October 28, 2005.

Specialist Yee reported that the Commission no longer has a contract with CAI Hawaii to subsidize seminar registrations. The Commission is procuring for educators to develop, administer and deliver seminars and is in the process of reviewing the submissions. The selection committee after reviewing the submissions will be making recommendations to the head of the procuring agency.

SEO Kimura informed the committee that in order for the Commission to provide subsidy an executed contract will need to be in place. If the committee were to approve the subsidy of this request prior to the selection of the vendors, it may be preempting the selection process.

Committee members questioned the amount the Commission would subsidize for seminars.

Specialist Yee replied that the proposed contract is an incentive based contract. The Notice to Professional Services which was posted on the State's procurement website listed the amount of subsidy as follows:

"For services rendered for each administration and delivery of an approved Condominium Management Education Fund subsidized seminar, State agrees to pay Contractor per an incentive basis as follows:

1. For the first 80 qualified* registrants, \$20 per registrant
2. For the next 20 qualified registrants, \$30 per registrant
3. For the next 25 qualified registrants, \$35 per registrant

4. For the next 25 qualified registrants, \$40 per registrant
5. For all qualified registrants in excess of 150 qualified registrants, \$45 per registrant.

SEO Kimura questioned the timetable of the selection due to the fact that some of the selection committee members will be attending test development and will be out of the office for the most of next week.

Specialist Yee indicated that the selection may be timely made since a contract has been drafted and delivered to the Deputy Attorney General for her review and the necessary paperwork has been completed. What remains is the meeting of the selection committee.

Chair Kuriyama noted that no action is currently needed on the request.

Case Law Review Program

The following articles from the *Community Association Management Insider* (September 2005) issue were distributed for informational purposes: "Recent Scientific Study Offers Associations Defense Against Mold-Related Lawsuits" and "Management Company Waived Right to Compel Arbitration."

Condominium Related Articles

The following articles from the September/October 2005 issue of *Common Ground* were distributed for informational purposes: "Unclear and Present Danger," "Retrometro," and "Legislative and Regulatory News."

California – Condominium (Common Interest) Regulation

As previously reported, staff will be presenting reports on how other states, in this case, California, is regulating common interest ownership and/or condominiums.

Information from California Department of Real Estate's website was distributed to the Commissioners for their information.

Hearings Office – Condominium Dispute Resolution Pilot Program

Specialist Yee reported on her conversation with Sheryl Nagata, Hearings Officer for DCCA's Office of Administrative Hearings (OAH) who indicated that the OAH has received three cases for the pilot program. Problems related to the association declaration and bylaws.

Commissioner Okawa requested that OAH provide updates to the Commission to include the nature of the issues.

Condominium Project Registration - Public Reports Issued

Upon a motion by Commissioner Okawa, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to recommend approval to

Condominium
Project
Registration:

Condominium Review Committee Minutes
Meeting of October 12, 2005
Page 5

ratify issuance of effective dates for developer's public reports for the month of
September 2005 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
5769	1068 AND 1068A MAUNAWILI ROAD	1068 MAUNAWILI RD KAILUA HI 96734	(1)4-02-007:019	Final	09/29/05
5793	1936 - 1938 DATE	1934 DATE ST HONOLULU HI 96826	(1)2-03-030:025	Final	09/27/05
5780	20 & 20A MANIENIE RD CONDOMINIUM	20 MANIENIE RD MAKAWAO HI 96768	(2)2-04-032:084	Final	09/29/05
5756	2633 MAUNAWAI	2633 MAUNAWAI PL HONOLULU HI 96826	(1)2-07-025:006	Final	09/12/05
2358	4133/4137/4149/4155 SIERRA DRIVE	4133/37/49/55 SIERRA DR HONOLULU HI 96816	(1)3-03-018:024	Suppl 3	09/09/05
5794	45-509B/C HALEKOU	45-509 HALEKOU RD KANEHOE HI 96744	(1)4-05-036:086	Final	09/27/05
5750	5282 KAWAIHAU ROAD	5282 KAWAIHAU RD KAPAA HI 96746	(4)4-06-020:011	Final	09/16/05
5783	68 & 76 ULUWEHI STREET	68 ULUWEHI ST WAHIAWA HI 96786	(1)7-05-002:038	Final	09/20/05
5257	723 MAKALEKA AVE CONDOMINIUM	723 MAKALEKA AVE HONOLULU HI 96816	(1)2-07-034:013	Final	09/29/05
5761	ALANA ESTATES	3946 HOOHUKI ST LIHUE HI 96766	(4)3-07-006:032	Final	09/20/05
5370	ALI'I RANCH ESTATE I CONDOMINIUM	LOT 9-B WAILUA HI	(4)4-02-022:030	Final	09/26/05
5722	ANDRADE/AGUANO CONDOMINIUM	3105 LAUOHO RD KALAHEO HI	(4)2-03-001:018	Final	09/20/05
5778	BENNETT ESTATES	LOT 110 KOLOA HI 96756	(4)5-08-015:012	Final	09/20/05
5779	CASTLE POINT I	55 KAILUANA PL KAILUA HI 96734	(1)4-03-022:011	Prelim	09/22/05
5670	COCO PALMS RESORT	4-241 KUHIO HWY KAPAA HI 96746	(4)4-01-003:007	Prelim	09/15/05
5201	GARBISO CONDOMINIUM	409 KAMALU ROAD KAPAA HI 96746	(4)4-02-021:003	Suppl 1	09/21/05
4780	HALE ALII AT HAWAII KAI	6930 HAWAII KAI DRIVE HONOLULU HI 96825	(1)3-09-008:045	Suppl 1	09/06/05
5724	HALI'I KAI (PHASE 2)	69-1029 NAWAHINE PL WAIKOLOA HI 96738	(3)6-09-010:001	Cont Final	09/15/05
5789	HANALIKE II	45-515B LIKELIKE HWY KANEHOE HI 96744	(1)4-05-071:004	Final	09/26/05
5743	HENDERSON CONDOMINIUM	4660 HAUAALA RD KAPAA HI 96746	(4)4-05-014:019	Final	09/20/05
5787	HONOKOHAU PLAZA CONDOMINIUM	74-567 HONOKOHAU ST KAILUA KONA HI 96740	(3)7-04-024:003	Final	09/28/05
5781	HUALALAI VILLAGE (PHASE 1B)	75-346 HUALALAI RD KAILUA KONA HI 96740	(3)7-05-010:086	Cont Final	09/27/05
5749	KA MILO AT MAUNA LANI	68-1122 N KANIKU DR KOHALA HI 96743	(3)6-08-022:041	Final	09/02/05
5694	KAAMOOLOA ESTATES	66-341 KAAMOOLOA RD WAIALUA HI 96791	(1)6-06-019:022	Suppl 1	09/08/05
5616	KAI MALU AT WAILEA (PHASE IV)	OKOLANI DRIVE KIHEI HI 96753	(2)2-01-008:117	Cont Final	09/19/05
5752	KAMALANI CONDOMINIUM	1134 PUU RD KALAHEO HI 96741	(4)2-03-005:019	Final	09/12/05
1456	KAMAOLE SURF	3381 S KIHEI RD KIHEI HI 96753	(2)3-09-020:021	Suppl 1	09/28/05
4745	KAWAIHAU MEADOWS CONDOMINIUM	ALT O KAAPUNA HUI MOLOAA KAWAIHAU HI	(4)4-09-009:030	Suppl 1	09/19/05
5286	KEALIA KAI 1	LOT 1 KEALIA MAKAI SUBDIVISION KEALIA HI	(4)4-07-007:001	Suppl 1	09/06/05
5773	KEEAUMOKU HALE	1440 KEEAUMOKU ST HONOLULU HI 96822	(1)2-4-021:020	Final	09/16/05
5738	KEKIO ROAD ESTATES I	51-436 KEKIO RD KAAAWA HI 96730	(1)5-01-011:020	Final	09/20/05
5739	KEKIO ROAD ESTATES II	51-442 KEKIO RD KAAAWA HI 96730	(1)5-01-011:019	Final	09/20/05
5770	KO OLINA HILLSIDE VILLAS (PH II)	92-1520 ALII NUI DR KAPOLEI HI 96707	(1)9-1-056:013	Cont Final	09/30/05
5516	KO OLINA KAI GOLF ESTATES I AND VILLAS	92-1065 KOIO DRIVE KAPOLEI HI 96707	(1)9-01-056:005	Suppl 2	09/15/05

Condominium Review Committee Minutes
 Meeting of October 12, 2005
 Page 6

3637	LIGHTHOUSE ROAD ESTATES	LOT8-W-13 KILAUEA LHSE RD KILAUEA HI 96754	(4)5-02-012:013	Suppl 1	09/12/05
5771	LOKAHI HALE CONDOMINIUM	3291 UNAHE ST LIHUE HI 96766	(4)3-06-018:057	Final	09/21/05
5688	MONTECITO/TUSCANY (MONTECITO PHASE 1)	KANELA ST EWA BEACH HI 96706	(1)9-1-010:007	Final	09/23/05
5679	MONTECITO/TUSCANY (MONTECITO PHASE 2)	KANELS ST EWA BEACH HI 96706	(1)9-01-010:007	Final	09/20/05
5665	MONTECITO/TUSCANY (MONTECITO PHASE 3)	KANELA ST EWA BEACH HI 96706	(1)9-1-010:007	Final	09/19/05
5627	MONTECITO/TUSCANY (MONTECITO PHASE 4)	KALENA ST EWA BEACH HI 96706	(1)9-01-010:007	Final	09/06/05
5640	MONTECITO/TUSCANY (TUSCANY PHASE 1)	KALENA ST EWA BEACH HI 96706	(1)9-01-010:007	Final	09/19/05
5674	MONTECITO/TUSCANY (TUSCANY PHASE 2)	KANELA ST EWA BEACH HI 96706	(1)9-01-010:007	Final	09/20/05
5687	MONTECITO/TUSCANY (TUSCANY PHASE 3)	KANELA ST EWA BEACH HI 96706	(1)9-01-010:007	Final	09/26/05
5496	NIHILANI AT PRINCEVILLE RESORT PH 1	4919 PEPELANI LP PRINCEVILLE HI 96722	(4)5-04-005:024	Final	09/12/05
5494	NOHONA AT MILILANI MAUKA - PH II	UKUWAI STREET MILILANI HI 96789	(1)9-05-049:027	Final	09/13/05
5737	OCTAVIO ESTATES	LOT 47-H KOLOA HI	(4)2-04-001:050	Final	09/21/05
3399	POHAKUHONU AGRICULTURAL ESTATES	LOT 21 HALAULANI RD KILAUEA HI 96754	(4)5-02-022:020	Suppl 1	09/06/05
5767	SWEENEY CONDOMINIUM	40 KUMU NIU PL LAHAINA HI 96761	(2)4-07-010:036	Final	09/29/05
5776	TAVARES CONDOMINIUM	3345 KII PL PUKALANI HI 96768	(2)2-03-044:008	Final	09/29/05
4935	WAILEA BEACH VILLAS	3800 WAILEA ALANUI WAILEA HI 96753	(2)2-01-008:091	Suppl 2	09/15/05
5672	WATERMARK THE	1551 ALA WAI BLVD HONOLULU HI 96815	(1)2-06-011:001	Cont Final	09/26/05

Preliminary Reports: 2
 Contingent Final Reports: 5
 Final Reports: 33
 Supplementary Reports: 11

Total: 51

It was further recommended that staff research whether the CRC is required to review and recommend ratification to staff's monthly registration of CPR registrations and effective dates for developers' public reports.

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

Contract Update – Specialist Yee reported that the Commission has submitted a request to the AG's office requesting assistance in procuring for an attorney to assist the Commission with the implementation of the new condominium law (Act 164, Session Laws of Hawaii 2004 and Act 93, Session Laws of Hawaii 2005). The attorneys are to be involved with writing summaries of the new law and updating the Board of Director's Guides. Initially the request was for three attorneys, but has since been changed to two attorneys to address some of the Licensing Administrator's concerns.

Deputy AG Wong informed the committee that she has received the request from the Commission and is processing the request.

Recodification Presentations – Specialist Yee reported that she presented a PowerPoint presentation to RICO staff on the recodification of chapter 514A.

Chair Kuriyama requested that Specialist Yee provide a presentation to Commissioners and staff on the recodification of chapter 514A also.

Ms. Yee further reported that the Commission has received a request through the Director's office from Tom Berg, office manager for Representative Rida Cabanilla, to speak on the recodification of chapter 514A and the Condominium Education Fund on an Olelo taping of "Ewa Today." Tom Berg will be the moderator.

Legislative Acts and Resolutions – NORCs Status Report

Vice Chair Loudermilk reported that the task force has met for a second time. Specialist Yee has provided for the committee's information a copy of her written report to Licensing Administrator Noe Noe Tom. Vice Chair Loudermilk further reported that the NORCs Task Force has been asked to provide a report to the Legislature. This report is currently being drafted. The Task Force will assemble again to review the report and have it delivered to the Legislature 20 days prior to the opening of the upcoming legislative session.

The Task Force had also been working on a survey, but found that managing companies and the elderly were hesitant to fill out the surveys due to privacy laws, etc.

Interactive Participation with Organizations

Conference registration information was received regarding the National Conference on Affordable Housing in High Cost Areas to be held November 29 through December 1, 2005 in Honolulu, Hawaii. The conference is sponsored by Rural Community Assistance Corporation with major funding provided by HUD – Honolulu Field Office.

Committee members are unavailable during the conference dates; the committee will not seek approval to attend.

Condominium Specialist Office for the Day

Chair Kuriyama announced that the Commission will be holding a Specialist Office of the Day in Kahului, Maui on October 14, 2005.

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.

Condominium Review Committee Minutes
Meeting of October 12, 2005
Page 8

Next Meeting: November 9, 2005
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.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Kuriyama adjourned the meeting at
11:08 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

November 9, 2005

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CY/tn/051017