

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: March 12, 1997

Time: 10:30 a.m.

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

Present: Carol Mon Lee, Chair
Alfredo Evangelista, Vice Chair
Stanley Kuriyama, Member
Alvin Imamura, Member
Charles Aki, Member
Helen Lindemann, Member

Barbara Dew, Commissioner
Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Camille Chun-Hoon, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Steve Gilbert, Hawaii Real Estate Research and Education Center
Merrily Leong, Hawaii Association of Realtors
Rick James, Carlsmith Ball Wichman Case & Ichiki
Will Beaton, Myers Corporation

Excused: Michael Ching, Member
Nora Nomura, Member

Call to Order: Chair Lee called the meeting to order at 10:42 a.m., at which time quorum was established.

Chair's Report: Chair Lee announced that Benedyne Stone, Condominium Specialist with the Real Estate Commission of 5 years is resigning to transfer to the State Ombudsman's Office. Commissioner Kuriyama presented Specialist Stone with a lei from the Commission members.

Upon a motion by Commissioner Imamura, seconded by Commissioner Aki, it was voted on and unanimously carried to recommend approval to issue a

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certificate of appreciation to Condominium Specialist, Benedyne Stone, for her contributions to condominium regulation.

Chair Lee presented the Certificate of Appreciation to Specialist Stone and thanked her for her years of service to the Commission.

Condominium
Specialist's
Report:

Additions to the Agenda

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Aki, it was voted on and unanimously carried to add to the agenda the following:

7. Program of Work
 - d. Registrations - AOA Ratification Report
 - 3) 1997-98 Biennial AOA Registration
 - k. Interactive Participation with Organizations - Permission to reprint REC's publication *Sense of Community* (April 1995) as a handout for Commission's presentations at CAI's 42nd National Conference May 1 - 3, 1997, "A Sense of Community - The Next Generation of Association Laws and Rules"

Additional Distribution

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

6. Condominium Project Registration, Public Reports, Sales to Owner-Occupants, and Limited-Equity Housing Cooperatives
 - c. Issuance of Effective Date for A Public Report Prior to Obtaining Legal Title to Property
9. CMEF Budget and Finance Report

Minutes:

Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to accept the minutes of the December 11, 1996 Condominium Review Committee meeting. Further recommend to defer the minutes of the January 15, 1997 and February 12, 1997 Condominium Review Committee meetings to the full Real Estate Commission meeting of March 25, 1997.

Hawaii Real
and Education
Center:

A copy of HREREC's report was included in the committee's packet. Steve Gilbert Estate Research reported on the status of the projects as follows:

Condominium Seminars - Planning for half-day portion (Condominium II) with Hawaii CAI completed, flyers and production timeline drafted. Change in cost for seminar increased from \$35 to \$40 to include parking, also cost for additional registrant from same firm reduced to \$30, also, includes parking. Additional \$10 cost if registration postmarked after April 19, 1997. Flyer to be finalized by March 19, 1997. Materials for the Condorama book due to HREREC by March 26, 1997.

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Chair Lee requested a copy of the draft flyer and timeline schedule.

Board of Director's Guide - Content outlines distributed, commissioner and staff comments due to HREREC by the end of March. The Fair Housing guide presently includes 3 basic sections; 1) State and Federal law; 2) applications on the law itself; and 3) Question and Answer section; followed by a section on references for more information on Fair Housing.

Hawaii Condominium Bulletin - First issue of this fiscal year printed and distributed. HREREC requests calendar for planning purposes for the remaining three issues.

Government and Legislative Participation - HREREC presented oral and written testimony in opposition to the sections of Senate Bill 623 which proposes to place the Condominium Management Education Fund into the State general fund.

Program of Work:
Executive

Government and Legislative Participation and Report - Supervising

Officer Kimura presented an oral report on legislative bills tracked by staff.

HB 474 - optional flood insurance - moving to the Senate. Bill affects FEMA and mortgage lending. The Commission has testified in opposition of this bill.

HB 777 - relates to planned community associations.

HB 780 - AOA assessed cash flow plan for reserves. REC has concerns with the amendments.

HB 793 - Development bill - moving along. Bill incorporates the Myers Corporation recommended amendments.

HB 897 - passed. REC does not oppose.

HB 1309 - Relates to CMA and AOA registration and certification. REC is in favor of bill.

SB 623 - Relates to state funds. Requires all CMEF to be placed into the State general funds. If the bill passes, condo section will not survive. The bill has passed the senate and moved to the house. Commissioners and staff will need to lobby key legislators. REC is still trying to expand the condo budget to include more programs. REC is looking for the support of developers also.

SB 680 - Reserves bill. REC prefers the house version of this bill.

SB 681 - Companion to house bill relating to planned community associations.

SB 682 - Relates to AOA liens. REC is in favor of this bill. Staff is reviewing the language of Senate Draft 2 of the bill for any changes.

SB 1153 - no differences from companion bill, only non-substantive changes made.

SB 1361 - companion to HB 793 - REC prefers HB version, REC amendments are incorporated in the House version.

Condominium

Community Association Law Reporter (February 1997) - "Association May

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Governance and Expressly Management: Collect Unpaid Assessments;" "Association's Power Is Presumed Unless Limited;" and "Parking Restriction Is Enforceable" - articles distributed for informational purposes.

Seminars - HCAAO - March 13, 1997, "Hawaii's Energy Situation as it Affects Condos and Coops"; CAI Hawaii Chapter - March 20, 1997, "Telecommunication Update"; and CAI's 42nd National Conference, May 1-3, 1997, Hilton Hawaiian Village - flyers distributed for informational purposes. Committee suggests that the two incoming real estate commissioners attend CAI's 42nd National Conference.

Open Forum - no discussion presented.

Condominium Project Registration:

Condominium Project Registration - Public Reports Issued

Upon a motion by Commissioner Lindemann, seconded by Commissioner Imamura, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates for public reports for the month of February, 1997 as follows:

<u>Reg. No.</u>	<u>Project Name</u>	<u>County/ TMK</u>	<u>Type of Report</u>	<u>Effective Date</u>
3638	Garden View	Honolulu (1)7-3-02:26	Supplementary*	2/3/97
3673	Hokulani Estates	Kauai (4)2-3-04:24	Final	2/3/97
3616	The Nikolo	Honolulu (1)3-1-28:14	Final	2/7/97
3632	6890 Kawaihau Road Agricultural Condominium	Kauai (4)4-6-05:19	Final	2/7/97
3684	Laipo Hale I	Kauai (4)4-6-41:97	Final	2/7/97
3663	The Farms at Iwalani	Hawaii (3)7-3-24: 110	Final	2/10/97
3510	Kaloko Ohana	Hawaii (3)7-3-08:60	Final	2/14/97
3626	Wai Ling Estates	Honolulu (1)2-2-27:27	Final	2/14/97
3669	Kalili Kuoha Ohana	Honolulu (1)4-5-15:02 & 12	Final	2/14/97
3671	Waialua Plantation	Honolulu (1)6-8-11:23	Final	2/14/97
1442	Sunset Paumalu Estates	Honolulu	Supplementary	2/20/97

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3627	Village on the Green at Waikele, Phase 2A	(1)5-9-01:23 Honolulu	Supplementary*	2/20/97
3660	2835 Puuhonua Street Condominium Project	(1)9-4-07:84 Honolulu	Final	2/20/97
3677	Hale Mahana	(1)2-9-16:65 Hawaii	Final	2/26/97
3388	Napilihau Villages I	(3)7-7-23:10 Maui	Final	2/28/97
2922	Goo Farm	(2)4-3-07: 108 Kauai	Supplementary	2/28/97
		(4)5-3-03:56		

Preliminary Reports: 0
Final Reports: 11
Supplementary Reports: 4(*2 Administrative Review)

TOTAL: 15

Request for Informal Interpretation, One Archer Lane

Rick James of Carlsmith Ball Wichman Case & Ichiki, attorney for the Myers Corporation, was present to answer any questions the committee may have regarding the request for informal interpretation in regards to the condominium project One Archer Lane.

After a review of the information submitted, the committee had no questions to pose to Mr. James.

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

Issuance of Effective Date for a Public Report Prior to Obtaining Legal Title to Property

Requestor submitted letter dated March 7, 1997 requesting to withdraw the issue from the agenda.

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Program of Work: **Registrations - AOA Ratification Report**

Upon a motion by Commissioner Aki, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Associations of Apartment Owners through February 28, 1997 for the 1996 Registration (report dated 2/28/97). The association is as follows:

The Promenade 08/08/96

Upon a motion by Commissioner Aki, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Associations of Apartment Owners through February 28, 1997 as listed in the report dated February 28, 1997 "Condominium Association of Apartment Owners 1997 Interim Registration." The associations are as follows:

1001 Prospect	01/14/97	1015 Wilder	12/30/96
1037 Kahuamoku	02/10/97	1145 Davenport	02/10/97
1220 Matlock	11/14/96	1425 Punahou	01/14/97
1515 Pele Street	01/14/97	1555 Pohaku	02/25/97
1635 Young	02/10/97	1717 Ala Wai	01/24/97
1814 Poki	01/17/97	1833 Anapuni	02/18/97
1942/1946 Pauoa Rd	02/25/97	2024 Waiola	02/10/97
2341 Date Street	02/11/97	3003 Kalakaua	01/10/97
3388 Salt Lake	02/10/97	936 Lehua	02/06/97
Ala Wai Plaza	02/21/97	Ala Wailani	12/30/96
Alexander Towers	02/10/97	The Alexander	01/14/97
Alii Plantation Ph. 1	02/10/97	The Belvedere	01/14/97
Beretania/Pensacola	12/11/96	Birch & Elm	02/06/97
Bluestone	02/14/97	Boulevard Tower	01/14/97
The Candlewood	02/10/97	Captain Cook Village	01/23/97
Charles R. Kendall Bldg	02/14/97	Coco Court	01/27/97
Colony Marina	01/14/97	Coolidge Gardens	02/10/97
Country Club Hawaii	01/10/97	Country Club Villa	12/30/96
Diamond Head Vista	02/13/97	Dominis West	01/14/97
Dynasty Tower	02/05/97	Eden at Haiku Woods	01/14/97
Emerson Court	02/04/97	Ewa Apartments	02/10/97
Ewa Villa Estate	02/10/97	Fairway Gardens	01/10/97
Fern Garden	02/07/97	Fern Terrace	02/10/97
Gateway Peninsula	01/14/97	Governor Cleghorn	01/14/97
The Greenwood	01/10/97	Hale Lumi	02/27/97
Hale Moana Apts	02/11/97	Hale Moani	01/14/97
Hale Walina	02/10/97	Hanalei Colony Resort	01/16/97
The Hassinger	02/10/97	Hawaii Business Park	02/21/97
Hillsdale, Ph. 1	01/10/97	Hillside Terrace IV	02/11/97
Hilo Lagoon Centre	02/14/97	Holiday Apartments	02/10/97

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Holiday Gardens	02/07/97	Holiday Lakeview	01/14/97
Holiday Village	02/10/97	Hono Hale Towers	01/10/97
Honokeana Cove	02/03/97	Honokowai East	02/03/97
Ilaniwai	02/10/97	Interstate Bldg	02/13/97
Iolani Court Plaza	02/27/97	Island Surf	02/19/97
Kaanapali Plantation	02/26/97	Kaimuki Parkside	02/10/97
Kalama Terrace	01/24/97	Kamaaina Hale	12/30/96
Kamaaina, The	01/14/97	Kamahana	
Kamani Trees I	01/27/97	Kamaole Beach Royale	
Kamaole Nalu	02/18/97	Kauhale Beach Cove	
Kauhale Makai	02/26/97	Kawaihae Crescent E.	
Kawaihau Sports Villa	01/15/97	Kealoha Arms	
Kiahuna I	02/04/97	Kiahuna Plantation	
Kihei Beach	02/19/97	Kihei Kai Nani	
Kihei Park Shore	02/21/97	Kinau Villa	
Kipa Village	01/30/97	Kona Alii	
Konane Kai	02/10/97	Kuleana, The	
Lae Nani	12/29/96	Laule'a	
Lawai Beach Resort	02/10/97	Lehua Manor	
Lihikai Condominium	01/28/97	Liholiho Townhouse	
Liliuokalani Plaza	02/10/97	Luna-Liho Towers	
Lunalilo Tower	02/10/97	Makai Club @ Princeville	02/05/97
Makai Club Cottages @ PV	02/05/97	Makaua Village	
Makiki Crescent	02/04/97	Makiki Holiday	
Makiki Royal	02/10/97	Makiki Winds	
Manoalani	02/10/97	Masters @ Kaanapali Hills	02/19/97
Maui Banyan	01/30/97	McCully Villa	
Meheula Hale Patio Hms	02/10/97	Melelani Apartments	
Menehune Shores	02/19/97	Mililani Point	
Mililani Terrace	01/09/97	Millyard Executive Ste.	
Moanalua Estates	02/10/97	Moiliili Gardens	
Moorings, The	02/26/97	Mountainview Terrace	
Nalanui Apartments	02/27/97	Napili Ridge	
Nehoa Park Estates	02/10/97	Ocean Vista	
Oceanside Manor	01/14/97	Ode Hacienda	
Pacific Gardens I	02/07/97	Pacific Grand	
Pacific International	02/11/97	Pae Ko Gardens	
Pakalana	02/26/97	Paki Maui	
Palehua Gardens	02/27/97	Palehua Hale	
Paliuli	02/19/97	Palm Grove	
Palm Villas II	02/27/97	Palms, The	
Parkside Terrace	02/07/97	Parkway, Phase C-2	
Pauahi Gardens	02/25/97	Pawaa Gardens	
Pearl Harbor View	01/24/97	Pearl Industrial	
Pearlridge Square	02/14/97	Plaza Landmark	
Plumeria Hale	01/14/97	Poha kea Pt III, Incr 1	
Poipu Crater	01/07/97	Polynesian Shores	
Princess Leilani	02/14/97	Punahoa Beach Apts	

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Punahou Royale	02/10/97	Punchbowl Vista
Puuone Hale Alii	02/19/97	Rainbow Place
Residence at Punahou	02/12/97	Rose Terrace
Royal Iolani	02/20/97	Royal Kahana
Rycroft Manor	02/03/97	Sands of Kahana
Scandia, The	02/07/97	Seaside Suites
Six Twenty Sheridan	02/07/97	Southpointe @ Waikakoa I 01/30/97
Spencer Terrace	02/12/97	Terrace Apartments
Top of the Hill	02/07/97	Tradewinds Plaza
Valley Isle Resort	12/23/96	Valley View Estates
Varsity House	02/25/97	Vista Del Mar
Waiau Garden Court	02/10/97	Waikiki Park Heights
Waiohuli Beach Hale	01/30/97	Wilder-Keeamoku
Windward Passage	01/14/97	Woodlawn Terrace

1997-98 Biennial AOA Registration - Specialist Chun-Hoon reported that pursuant to Act 106, the Real Estate Commission is required to set a deadline date for submission of Association of Apartment Owners application 30 days prior to its expiration date.

Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to recommend approval to set the deadline date of Friday, May 30, 1997, for the submission of completed AOA re-registration applications, payment of fees, and other requirements to the Commission.

Interactive Participation with Organizations - Request to reprint REC's publication *Sense of Community* (April 1995) as a handout for Commission's presentation at CAI's 42nd National Conference May 1-3, 1997, "A Sense of Community - The Next Generation of Association Laws and Rules" - CAI is requesting to reproduce the Commission's publication for distribution at the Commission's session during the CAI National Conference. CAI will reproduce the materials at no cost to the Commission.

Neighbor Island Outreach - Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to recommend approval of scheduling a Condominium Review Committee meeting in Waimea, Hawaii on May 7, 1996.

Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to recommend approval of permitting CAI to reproduce, at no cost the Real Estate Commission, the REC publication *Sense of Community* (April 1995) to be included as a handout for REC's presentation at CAI's 42nd National Conference, May 1-3, 1997, "A Sense of Community - The Next Generation of Association Laws and Rules."

Interactive Participation with Organizations - Report on the "18th Annual

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Community Association Law Seminar 1997" - written report submitted by Senior Condominium Specialist Yee and Deputy Attorney General Wong.

Open Forum: No discussion presented.

CMEF Budget & Upon a motion by Commissioner Evangelista, seconded by Commissioner Lee, Finance Report: it was voted on and unanimously carried to recommend acceptance of the report Condominium Management Education Fund Budget and Finance Report dated December 1996 for the period ending December 31, 1996.

Executive Session: Upon a motion by Commissioner Lindemann, seconded by Commissioner Evangelista, it was voted on and unanimously carried to enter into executive session pursuant to section 92-5(a)(6), HRS, "To consider sensitive matters related to public safety or security."

Upon a motion by Commissioner Aki, seconded by Commissioner Imamura, it was voted on and unanimously carried to move out of executive session.

Condominium
Project Registration

Request for Informal Interpretation, One Archer Lane

Upon a motion by Commissioner Imamura, seconded by Commissioner Evangelista, it was voted on and unanimously carried to recommend approval of the following non-binding informal interpretation of "material respect" pursuant to 514A-41, HRS, and "material change" pursuant to 514A-63, HRS:

"Based upon the representations in your February 14, 1997 letter, the [developer] has the power to reconfigure the Industrial Antenna Areas and that such reconfiguration is not material so as to require issuance of a supplementary public report or to require the developer to offer rescission rights to purchasers. Please provide purchasers notice of the change pursuant to the carryover paragraph at the top of page seven in your letter."

Next Meeting: Wednesday, April 9, 1997; 10:30 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Lee adjourned the meeting at 11:30 a.m.

Respectfully submitted:

Cynthia M. L. Yee
Senior Condominium Specialist

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Date