

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 12, 2015

Time: Upon adjournment of 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: Scott Sherley, Chair, Broker / Hilo Commissioner
Bruce Faulkner, Vice Chair, Broker / Maui Commissioner
Nikki Senter, Public / Honolulu Commissioner
Rowena Cobb, Broker / Kauai Commissioner
Aileen Wada, Broker / Honolulu Commissioner
Scott Arakaki, Public / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary
Torrie-ann Primacio, Office Assistant

Others: Aron Espinueva, Hawaii Association of REALTORS®

Absent: None.

Call to Order: Chair Sherley called the meeting to order at 9:12 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:

Minutes

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the July 8, 2015 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

Mediation and Arbitration

The article entitled "Professional Mediation of Condominium Related Disputes" by Philip Nerney, published in the July 2015 issue of the *Hawaii Bar Journal*, was distributed for informational purposes.

Specialist Stone reported that she has been informed that several of the evaluative mediators have received inquiries on evaluative mediation.

AOUO Registrations

As of July 31, 2015, 1,587 AOUO reregistrations have been received. 966 AOUOs have successfully registered for the 2015-2017 biennial registration.

Condominium Seminars and Symposium

Community Association Institute Hawaii Chapter's Proposed 2015-2016 Seminars

The committee acknowledged receipt of CAI Hawaii's July 17, 2015 email request for approval for Condominium Education Trust Fund (CETF) subsidized seminars.

Commission Staff Delegation Revisit

Upon a motion by Commissioner Pang, seconded by Commissioner Faulkner, it was voted on and unanimously carried to continue with the Committee's delegation to staff the approval of proposed seminars so long as the seminar's subject and topic is similar to a seminar subject and or topic which the Commission has approved in the past.

HCCA Legislative Seminar

Staff attended HCCA's Legislative seminar in June. HCCA went over the bills affecting condominiums. The only Act to directly affect chapters 514A and 514B was Act 242 (2015), relating to medical marijuana.

Case Law Review

The following articles from the August 2015 issue of Community Management Insider were distributed for informational purposes: "State Statute Didn't Apply Unless Adopted by Condo Declaration" and "Associations Resolution Doesn't Defeat Member's Statutory Right."

Condominium Related Articles

The condominium related article entitled "Contain Legal Costs Before They Spiral Out of Control" from the August 2015 issue of Community Management Insider was distributed for informational purposes.

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of July 2015 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNIT	REPORT	DATE
7675	1001 QUEEN HONOLULU	1001 QUEEN HI	123001001 96814	471	B REPT	7/2/2015
7652	2021 10TH AVENUE HONOLULU	2021A & 2021B 10TH AVENUE HI	133036019 96816	2	B REPT	7/7/2015
1784	3289 LOWER ROAD HONOLULU	3289 LOWER RD HI	129040016 96822	2	SUPPL	7/13/2015
3287	54-269 KAMEHAMEHA HIGHWAY HAUULA	54-269 KAMEHAMEHA HWY HI	154011006 96717	9	SUPPL 3	7/2/2015
7668	COCONUT GROVE ESTATES KAILUA	410-A ULUPAINA ST HI	143046036 96734	2	B REPT	7/2/2015
7684	GREEN HOMES AT LUALUALEI (INCREMENTS 1, 2 AND 3)	87-1720 FARRINGTON HWY WAIANAE HI 96792	187033034	25	B REPT	7/31/2015
7661	HALEIWA COUNTRY ESTATES III	66-152 & 66-154 WAIALUA BEACH RD HALEIWA HI 96712	166034075	2	B REPT	7/16/2015
7663	HALEIWA COUNTRY ESTATES VI	66-134 & 66-138 WAIALUA BEACH RD HALEIWA HI 96712	166034075	2	B REPT	7/7/2015
7680	JADE GARDEN III	45-815 & 45-817 ANOI PL KANEEOHE HI 96744	145073008	2	B REPT	7/7/2015
7656	KALENA GARDENS	2916 PALA ST LIHUE HI 96766	436004019	13	B REPT	7/14/2015
7461	KAUAI KAILANI	4-856 KUHIO HWY KAPAA HI 96746	443009050	59	B AMD	7/24/2015
7580	KULALANI AT MAUNA LANI (PHASE 6)	68-118 N KANIKU DR KAMUELA HI 96743	368022007	4	FINAL	7/29/2015
7655	MAHANALUA NUI PH IV LOT 24 CONDO	LOT 24 MAHANALUA NUI LAHAINA HI 96761	247009070	2	B REPT	7/31/2015
7582	OLINO AT MEHANA	801 KAKALA ST KAPOLEI HI 96707	191160051	172	B AMD	7/21/2015
7666	POST ESTATES	42-206 KOKOKAHI PL KANEEOHE HI 96744	145031072	2	B REPT	7/1/2015
2558	PUKUMU AGRICULTURAL CONDO	LOT 11-B-6 KILAUEA BAY SD KILAUEA HI 96754	452010031	5	SUPPL	7/7/2015
7641	WAIMEA BEACHFRONT RESIDENCES	LOT 66 KAUMUALII HWY WAIMEA HI 96796	412013041	2	B REPT	7/14/2015
7670	WALGREENS CONDOMINIUM	700 WAIALE DR WAILUKU HI 96793	238007169	2	B REPT	7/7/2015
0	Preliminary Reports					
0	Contingent Final Reports					
1	Final Reports					
3	Supplementary Reports					
12	B Reports					
2	B Amendment Reports					
18	TOTAL REPORTS					

Case Law

The article entitled "Judge's decision favors Honua Kai developers" from the June 14, 2015 issue of *The Maui News* was distributed for informational purposes. Staff reported that the court noted that the plaintiffs in this reported case were real estate investors as opposed to being owners residing on the properties.

FHA Condominium Approval Process Seminar – July 29, 2015

The July 29, 2015 FHA Condominium Approval Process Seminar was attended by several Commissioners and the Condominium Specialists. Although it was a good informative seminar, attendance was low. The US Department of Housing and Urban Development's Honolulu Field Office, requested that the Commission assist with getting the information out regarding the seminar to interested parties. In response, the REC/DCCA did a press release.

Condominium Project Registration Application For Proposed Horizon View Condominium Situated In An Agricultural District - Request for An Informal Non-Binding Interpretation of §514B-52(b), HRS (County Official Verified Statement) and other related HRS sections

Executive Session: Upon a motion by Commissioner Arakaki, seconded by Commissioner Lee, it was voted on and unanimously carried to enter into executive session, pursuant to section 92-5(a)(4), HRS, "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 Cobb, seconded by Commissioner Faulkner, it was voted on and unanimously carried to move out of executive session.

Jakob K. Wormser, Esq., was asked via teleconference if he wished to have his request for an informal non-binding interpretation of §514B-52, HRS, considered in executive session. He accepted the offer.

Executive Session: Upon a motion by Commissioner Cobb, seconded by Commissioner Pang, it was voted on and unanimously carried to enter into executive session, pursuant to section 92-5(a)(4), HRS, "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 Lee, seconded by Commissioner Klein, it was voted on and unanimously carried to move out of executive session.

Upon a motion by Commissioner Senter, seconded by Commissioner Klein, it was voted on and unanimously carried to issue an informal non-binding interpretation of section 514B-52(b), HRS (County Official Verified Statement) pursuant to Title 16, Chapter 201, Subchapter 5, Hawaii Administrative Rules that:

- The developer's attorney drafted letter dated July 30, 2015 regarding Horizon View Condominium and the proposed county verified statement therein satisfies in part §514B-52(b), HRS; and
- With the amendment/addition to the proposed letter to include the verification of the "condominium map," and "house rules (if any)", the Commission will deem and accept for Horizon View Condominium the amended County of Maui Department of Planning as the verified statement meeting the requirements of §514B-52(b), HRS; and
- The proposed disclosures regarding "Subdivision Restriction on Agriculture" quoted from Section 3.01 of the Covenants, Conditions, and Restrictions (CC&R's) for the subdivision in which the proposed CPR is situated within appearing on page 2 of the July 30, 2015 letter, be prominently included in the developer's public report on page 1a under "Special Attention –Significant Matters" with the final scope and content of the disclosures to be determined further by the developer, Commission's assigned consultant for the proposed registration, and Commission's staff.

This informal non-binding interpretation is limited and based solely on the facts of the instant case provided to the Commission and is not intended to be an interpretation of the applicable statutes and rules for any other situation.

Program of Work:

Condominium Laws and Education

The DCCA unofficial revised chapters 514A and 514B were distributed. The revised chapters incorporate Act 242 which prevents discrimination against the use of medical marijuana in various entities such as condominium projects. Copies are made available via the Commission's website at www.hawaii.gov/hirec.

Neighbor Island Outreach

The September 4, 2015 Committee meetings will be held at the West Hawaii Civic Center, Community Meeting Hale, located at 74-5044 Ane Keohokalole Hwy., Bldg. G, Kailua-Kona, Hawaii.

Technology Program and Website

The Commission's subscription program numbers are up and an August email update will be going out shortly. We have seen at least one legislator reference the initial media release from DCCA on their Facebook page, along with HCCA who has placed the media release on their website also.

Several Commissioners noted that they have also spread the work via social media on the Commission's subscription program.

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.

CETF Budget &
Finance Report:

No report presented.

Next Meeting:

September 4, 2015
Upon adjournment of the Laws and Rules Review Committee meeting scheduled
to convene at 9:30 a.m.
Community Meeting Hale
West Hawaii Civic Center
74-5044 Ane Keohokalole Hwy., Bldg. G
Kailua-Kona, Hawaii

Adjournment:

With no further business to discuss, Chair Sherley adjourned the meeting at
10:15 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

August 24, 2015

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CY:tn/150824