



**Hawaii  
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February 8, 2008

**The Honorable Russell S. Kokubun, Chair**  
Senate Committee on Commerce, Consumer Protection, and  
Affordable Housing  
State Capitol, Room 229  
Honolulu, Hawaii 96813

**RE: S.B. 2275 Relating to Planned Community Associations**  
**Hearing Date: Tuesday, February 12, 2008 @ 9:00 a.m., Room 229**

Dear Chair Kokubun and members of the Senate Committee on Commerce, Consumer Protection, and & Affordable Housing,

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **supports S.B. 2275.**

As real estate professionals dedicated to helping and informing prospective buyers of the complexities in purchasing a home, the seller must disclose accurate information of material facts, as well as provide documents pertaining to homeowner, condominium, subdivision, or planned unit development organizations. HAR supports the disclosure of all known material facts pertaining to physical conditions of the property which could affect an ordinary buyer's use and enjoyment of the property, or any intended use of the property of which the seller is aware.

Since the passage of ACT 276, SLH 2006, issues have materialized as to (1) what is defined as a planned community under Chapter 421J-2, Hawaii Revised Statutes, and the (2) lack of explanation on "planned community declaration and association documents."

HAR believes if the residential real property being offered for sale is in a planned community or subdivision that has CC&R's (Covenants, Conditions, and Restrictions), design standards and/or guidelines, "disclosure statement" should include these documents. Furthermore, it should state that if a subdivision with CC&R's has an umbrella subdivision or community association that has its own CC&R's, those documents shall also be made available at the same time.

Language to effect this disclosure is already included in HAR's Purchase Contract, a copyrighted HAR standard form. However, only REALTORS® use HAR standard forms and S.B. 2275 will address and clarify what is to be disclosed for all sellers.

Mahalo for the opportunity to testify.



February 11, 2008

SENATE COMMITTEE ON CONSUMER PROTECTION AND AFFORDABLE HOUSING  
REGARDING SENATE BILL 2275

Hearing Date : TUESDAY, February 12, 2008  
Time : 9: 00 a.m.  
Place : Conference Room 229

Chair Kokubun and Members of the Committee:

My name is John Morris and I am testifying on behalf of the Hawaii Legislative Action Committee of the Community Associations Institute ("CAI") to support Senate Bill 2275. CAI Hawaii is the local chapter of a national organization dedicated to improving the management and operation of community associations nationwide.

Senate Bill 2275 tries to correct a problem that commonly affects the sale of properties in projects that are not condominiums or residential cooperatives but are nonetheless subject to restrictive covenants or controlled by a homeowner association. More specifically, the parties to the purchase and sale of such properties frequently overlook the fact that the purchaser is subject to restrictions on his or her ability to use the property being purchased. Omission of that information as part of the purchase often leads to disputes and misunderstandings when the purchaser subsequently discovers that he or she must comply with those restrictions.

Senate Bill 2275 amends the law to recognize all of those potential problems and require that they be disclosed as part of the purchase and sale of the property. This section even recognizes that associations often have unrecorded rules and guidelines that have been adopted by the association pursuant to the authority given and recorded documents. Since it is important to ensure that someone buying property is fully aware of the restrictions imposed on the property, CAI supports Senate Bill 2275.

Please contact me at 523-0702 if you have any questions. Thank you for this opportunity to testify.

Very truly yours,

John A. Morris  
Hawaii Legislative Action Committee  
of the Community Associations Institute

JAM:alt

**Eric M. Matsumoto**  
94-464 Kaweloalii Street  
Mililani, Hawaii 96789

February 10, 2008

Senator Russell Kokubun, Chair,  
Senator David Ige, Vice-Chair  
Committee on Commerce, Consumer Protection  
And Affordable Housing  
c/o Legislator's Public Access Room      VIA Email: [testimony@capitol.hawaii.gov](mailto:testimony@capitol.hawaii.gov)  
State Capitol  
Honolulu, HI 96813

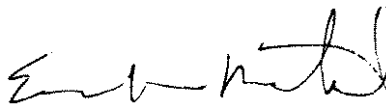
Re: S.B. No. 2275 – Relating to Planned community Associations  
Hearing: Tuesday, February 12, 2008; 9:00AM, Conf Room 229

Dear Senators Kokubun and Ige and Committee Members:

My name is Eric Matsumoto, the immediate Past President of the Mililani Town Association. While I continue to serve on the board, I'm submitting testimony on my own behalf given the 20 plus years as its President, and as a Past President of the CAI Hawaii Chapter.

I am in support of this measure as an attempt to clarify what properties are required to provide a disclosure statement by sellers in planned communities. This clarification intended to assure disclosure statements are generated would be beneficial, especially to new buyers in planned communities, by having up front information reflecting the conditions of and outstanding obligations on the property being purchased, thereby making for an informed planned community resident.

Sincerely yours,



Eric M. Matsumoto

Cc: Senator Menor  
Senator Buda  
Representative Lee  
Representative Yamane