

**CONDOMINIUM REVIEW COMMITTEE**  
REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: June 8, 2011

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: Michele Sunahara Loudermilk, Chair, Public / Honolulu Commissioner  
Trudy Nishihara, Broker / Honolulu Commissioner  
Carol Ball, Broker / Maui Commissioner  
Scott Sherley, Broker / Hilo Commissioner  
Frances Gendrano, Broker / Honolulu Commissioner  
Walt Harvey, Broker / Honolulu Commissioner  
Donna Apisa, Broker / Kauai Commissioner

Neil Fujitani, Supervising Executive Officer  
Jon Ellis Pangilinan, Executive Officer  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary  
Amy Fujioka, Office Assistant

Others: David Catanzaro, Digital Learning Centers  
Jean Catanzaro, Digital Learning Centers  
Chris Catanzaro, Digital Learning Centers  
Lisa Andrews, Esq., Case Lombardi & Petit  
Bryan Andaya, Eddie Flores Real Estate School  
Tony Dias, VA Home Loan Benefit  
Joleen Dias, Island Style Realty  
Marsha Shimizu, Hawaii Association of Realtors®  
Russ Goode, Russ Goode Seminars  
Suzanne King, Honolulu Board of Realtors®

Absent: Stanley Kuriyama, Broker / Honolulu Commissioner  
Mark Suiso, Vice Chair, Public / Honolulu Commissioner

Call to Order: Chair Loudermilk called the meeting to order at 9:20 a.m., at which time quorum was established.

Chair's Report: 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.

Commissioners Suiso and Kuriyama were excused from the meeting. Prior notification of their non-attendance was received.

Chair Loudermilk reported that the Commission's May 2011 issue of the Hawaii Condominium Bulletin is online and can be viewed at [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec).

Condominium  
Specialist's  
Report:

#### **Additional Distribution**

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

4. Condominium Governance and Management
  - d. Condominium Seminars and Symposium
    - 2) Vendor Responses to May 4, 2011 REC's Procurement for Educational Services
  - h. Condominium Related Articles
    - 1) *Community Association Management Insider* (May 2011)
      - a) "How to Identify and Handle Board Member Conflicts of Interest"
5. CPR Registration and Developer's Public Reports
  - a. Condominium Projects and Developer's Public Reports
    - 1) May 2011
6. Program of Work, FY11
  - e. Rulemaking, Chapter 107

Minutes: Upon a motion by Commissioner Apisa, seconded by Commissioner Sherley, it was voted on and unanimously carried to accept the minutes of the May 11, 2011 Condominium Review Committee meeting as circulated.

Condominium  
Governance and  
Management:

#### **AOUO Registrations**

Specialist Stone reported that as of May 31, 2011, 694 AOUOs have successfully registered.

#### **CAI Hawaii's Request for Neighbor Island Pre-Approved Seminar Expenses Per Existing Contract**

CAI Hawaii submitted a request for neighbor island pre-approved seminar expense for the June 16, 2011 Kona seminar entitled "Condo Wars: How to Bring Peace to the Promise Land." Request of travel expenses of up to \$965.65 for air travel for four speakers and car rental of \$83.44 for a total estimated expense of \$1,049.09.

Upon a motion by Commissioner Sherley, seconded by Commissioner Apisa, it was voted on and unanimously carried to approve, per the existing contract provisions, the reimbursement of the requested seminar travel expenses of up to \$965.54 for air travel of four speakers and \$83.44 for car rental for an estimated total of \$1,049.09, subject to paragraph 16 of the contract's general standard terms and conditions.

### **Vendor Responses to May 4, 2011 REC's Procurement for Educational Services**

Chair Loudermilk noted that the difference between this fiscal year's request for quotes and any previous fiscal year request for quotes is that the State may award to more than one contractor and may award on a statewide basis or by island.

Quotes were received by N & K CPAs, Inc., Condominium Council of Maui (CCM), and CAI Hawaii. It was noted that N & K CPAs quote was not responsive in that it did not provide specific enough information about the educational seminars or sessions it would be providing for the upcoming fiscal year.

Discussion followed about CAI Hawaii and CCM seminars and the well attendance.

Executive Session: Upon a motion by Commissioner Apisa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to move 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 Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to move out of executive session.

Upon a motion by Commissioner Sherley, seconded by Commissioner Nishihara, it was voted on and unanimously carried to notify the CCM and CAI Hawaii of the Commission's intent to award the solicitation to both the Condominium Council of Maui and CAI Hawaii, for the respective proposed price as follows: CCM to provide at least one seminar offering on Maui; CAI Hawaii offering to provide at least 6 seminar offerings on Oahu and 1 on the Big Island; both organizations understanding and agreement that for each fiscal year any request for Condominium Education Trust Fund (CETF) subsidy may be approved and provided on a first-come, first-reviewed, first-approved basis, subject to the availability of CETF funds and the Commission's fiscal year seminar budget allocation or allotment; and further subject to other terms and conditions of the solicitation; including receipt of the state and federal tax clearance certificate, Dept of Labor and Industrial Relations Certificate of Compliance, and a Certificate of Good Standing.

**Condominium Related Articles**

The following articles were distributed for informational purposes: *Community Association Management Insider* (May 2011): "How to Identify and Handle Board Member Conflicts of Interest" and "FHA Issues Waiver on Leasing Restrictions;" and *Wai Halana Hawaii Flood News* (April 2011): "Rebuilding after the Tsunami" and "Changes in how BFEs will be displayed on FIRMs."

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the month of May 2011 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNIT	REPORT	DATE
7102	2625 & 2627 IPULEI PLACE	2625 & 2627 IPULEI PL HONOLULU HI 96816	134019012	2	B REPT	5/9/2011
7094	44-600 KANEOHE BAY DRIVE	44-600 KANEOHE BAY DR KANEOHE HI 96744	144016004	2	B REPT	5/13/2011
7092	46-255 & 46-255A NAHEWAI STREET	46-255 & 46-255A NAHEWAI ST KANEOHE HI 96744	146035039	2	B REPT	5/11/2011
6414	61-274 KAMEHAMEHA HIGHWAY	61-274 E, F & G KAMEHAMEHA HWY HALEIWA HI 96712	161011017	3	B AMD	5/11/2011
7054	690 KIHAPAI STREET	690 KIHAPAI ST KAILUA HI 96734	143067030	2	B REPT	5/10/2011
5094	798 MOKAPU ROAD	798 MOKAPU RD KAILUA HI 96734	144026004	2	SUPPL	5/3/2011
6125	ALII BANYAN CONDOMINIUMS	HOLUALOA 2ND KONA HI 96740	376014026	10	SUPPL 2	5/19/2011
6618	ANYUKA OHANA	17 & 17A SOUTH KALAHEO AVE KAILUA HI 96734	143069009	2	B AMD 2	5/5/2011
6106	BLUE SKY ESTATES	OMAO ROAD KOLOA HI 96756	427006033	2	SUPPL	5/3/2011
7083	CLEGHORN HALE LANI	2423 CLEGHORN ST HONOLULU HI 96815	126024095	17	B REPT	5/9/2011
5378	EWA OCEANSIDE	91-069 FORT WEAVER RD EWA BEACH HI 96706	191005011	23	SUPPL	5/10/2011
7084	HALE KA LAE AT 7000 HAWAII KAI DR	7000 HAWAII KAI DR HONOLULU HI 96825	139008043	242	B REPT	5/3/2011
7093	HANA'S MANA	2575 HANA HWY HANA HI 96713	213003015	2	B REPT	5/9/2011
7066	HEKILI GARDENS	5055 HEKILI RD KAPAA HI 96746	446018030	2	B REPT	5/18/2011
5749	KA MILO AT MAUNA LANI	68-1122 N KANIKU DR KOHALA HI 96743	368022041	37	SUPPL 2	5/3/2011
7079	KAULUPONO CONDOMINIUM	620 KINI DR KULA HI 96790	221004087	2	B REPT	5/27/2011
7100	KEA HALE	4853 NONOU RD KAPAA HI 96746	441007097	3	B REPT	5/9/2011
7108	LAULANI VI, PHASE 2	91-1001 KEAUNUI DR EWA BEACH HI 96706	191149015	15	B REPT	5/13/2011
5408	WAIPOULI BEACH RESORT PH I	4-818 KUHIO HWY KAPAA HI 96746	443008001	29	SUPPL 5	5/12/2011
5409	WAIPOULI BEACH RESORT PH II	4-818 KUHIO HWY KAPAA HI 96746	443008001	16	SUPPL 5	5/17/2011
5411	WAIPOULI BEACH RESORT PH IV	4-818 KUHIO HWY KAPAA HI 96746	443008001	44	SUPPL 5	5/12/2011
5412	WAIPOULI BEACH RESORT PH V	4-818 KUHIO HWY KAPAA HI 96746	443008001	21	SUPPL 5	5/17/2011
5414	WAIPOULI BEACH RESORT PH VII	4-818 KUHIO HWY KAPAA HI 96746	443008001	28	SUPPL 5	5/17/2011
5390	WAIPOULI BEACH RESORT PH VIII	4-818 KUHIO HWY KAPAA HI 96746	443008001	26	SUPPL 5	5/17/2011
7090	WINAM VILLA	3318 WINAM AVE & 3308 HERBERT ST HONOLULU HI 96815	131006023	2	B REPT	5/10/2011

0	Preliminary Reports
0	Contingent Final Reports
0	Final Reports
11	Supplementary Reports
12	B Reports
2	B Amendment Reports
25	TOTAL REPORTS

Program of Work: **Rulemaking**

SEO Fujitani reported that he has been following up with PVL's Licensing Administrator as to the status of the Chapter 53 Fees which includes the increase to the condo fees. The Commission had approved and submitted its proposed increase in condominium related fees and CETF fees in early 2009. Staff has recently been informed that the rules have not moved out of the Attorney General's office. The AG's office is overwhelmed with the totality of the PVL fees. PVL Licensing Administrator has requested that REB pursue the condo fee increase on its own aside from the PVL fee package. She further requested that staff draft the memo to the Small Business Regulatory Review Board (SBRRB).

Deputy Attorney General Wong informed staff that Chapter 53 rulemaking falls under the same process as the Chapter 99 rulemaking flowchart. She questioned whether the Legislative Reference Bureau (LRB) has already reviewed the PVL fee package, did it go concurrently to LRB and the AGs? If so, has LRB sent back comments to PVL?

SEO Fujitani noted that the undertaking of the Chapter 53 Fees falls under PVL's purview and staff is unsure as to what steps PVL has taken thus far.

The committee requested that staff meet with the Licensing Administrator to get clarification on the status of the fees and what is being requested.

Specialist Yee reported that Chapter 107 rulemaking will be placed on hold while she works on the Chapter 53 fee rulemaking process.

**Condominium Specialist Office for the Day**

It was reported that staff is working with Commissioner Sherley on securing a meeting location for the September committee meetings in Kona, Hawaii.

**Records Management**

Specialist Leong reported that on June 7, 2011 staff transported 40 boxes of condominium project files to Shafter Flats in accordance with PVL's records retention/distribution policy.

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: Upon a motion by Commissioner Apisa, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending March 30, 2011.

Next Meeting: July 13, 2011  
Upon adjournment of 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 Loudermilk adjourned the meeting at 10:00 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

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Cynthia M. L. Yee  
Senior Condominium Specialist

June 14, 2011

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Date

Minutes approved as is.

Minutes approved with changes; see minutes of \_\_\_\_\_