

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: September 9, 2009

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
Mark Suiso, Vice Chair, Public / Honolulu Commissioner
Louis Abrams, Broker / Kauai Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Carol Ball, Broker / Maui Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Annette Aiona, Broker / Hilo Commissioner
Frances Gendrano, Broker / Honolulu Commissioner
Walt Harvey, Broker / Honolulu 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
David Grupen, Real Estate Specialist
James Paige, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Aron Espinueva, Hawaii Association of Realtors®
Myoung Oh, Hawaii Association of Realtors®
Arabel Camblor, Hawaii Association of Realtors®
Marsha Shimizu, Hawaii Association of Realtors®
Rowena Cobb, Hawaii Association of Realtors®
Michael Abrams

Absent: None.

Call to Order: Chair Loudermilk called the meeting to order at 9:24 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 Abrams, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the August 12, 2009 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOUO Registrations

Specialist Stone reported that as of August 31, 2009, 1,481 AOUOs have successfully registered.

Condominium Seminars and Symposium -

Evaluation CAI Hawaii 8/20/09 "Avoiding Pitfalls in the Budgetary Process"

It was reported that the seminar was well attended. Excerpts from the handout were distributed for informational purposes.

CAI Hawaii's Request for Condominium Education Trust Fund Subsidy Per Contract To Cover Expenses of a Mainland Speaker for the October 16 and 17, 2009 Seminar

Upon a motion by Commissioner Abrams, seconded by Commissioner Suiso, it was voted on and unanimously carried to approve CAI Hawaii's request to reimburse CAI Hawaii for its mainland speaker and Maui seminar travel expenses up to the maximum amount requested subject to the availability of CETF funds and adjustments made pursuant to the provisions of the existing contract relating to airfare for Ms. Jamie Schraff and a total of five speakers for the Maui seminar. Approval is also subject to receipt of specific seminar title, title/subject being previously approved by the Commission, and speaker information.

Condominium Related Articles

The following articles were distributed for informational purposes:

- 1) *CAI Hawaii* (June 2009) - "Aging Inspections: Scope That Sewer Line! Problems, Signs & Solutions;" "Sub-Metering' A Solution to Increasing Water Cost and Water"
- 2) *Community Association Management Insider* (July 2009) - "Six Tips to Avoid Carbon Monoxide Poisoning and Liability;" "Housing Turmoil Forces Condo Developers, Buyers to Jump Through Regulatory Hoops"
- 3) *Pacific Business News* - "Condo buyers face new federal lending policies" (August 21, 2009) "More deadbeats plague Hawaii condo boards" (August 10, 2009).

Condominium
Project
Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of August 2009 were distributed for informational purposes.

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PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPORT	DATE
6839	2206D CALIFORNIA AVENUE	2206D CALIFORNIA AVE WAHIAWA HI 96786	175016057	2	B REPT	8/6/2009
6828	41-037 AND 41-037A KAULU STREET	41-037 & 41-037A KAULU ST WAIMANALO HI 96795	141006025	2	B REPT	8/24/2009
5681	4707 & 4709 AUKAI AVE	4707 AUKAI AVE HONOLULU HI 96816	135005049	2	SUPPL	8/12/2009
4272	55-141A & 55-141B NAUPAKA STREET	55-141A & B NAUPAKA ST LAIE HI 96762	155011044	2	SUPPL	8/12/2009
6568	BALI HAI VILLAS PHASE XII (BLDGS 17 & 18, INCR 17 & 18)	4970 PEPELANI LP PRINCEVILLE HI 96722	454005036	32	B AMD 2	8/24/2009
5715	BEACH VILLAS AT KO OLINA	92-102 WAILII PL KAPOLEI HI 96707	191057009	253	SUPPL 5	8/11/2009
5765	HOKULANI SQUARE	1415 MIDDLE ST HONOLULU HI 96819	113012021	19	SUPPL 3	8/13/2009
6832	KALALEA PLANTATION	LOT 74 OF MOLOAA HUI KAWAIHAU HI	449003001	5	B REPT	8/6/2009
6526	KALANIPU'U CONDOMINIUM	HOOLAULEA WAY KALAPAKI HI 96766	435001027	79	B AMD 2	8/6/2009
6803	KALAPAKI BAY CONDOMINIUMS	3251 KALAPAKI CIR LIHUE HI 96766	435002029	2	B REPT	8/26/2009
6837	KONA COAST VILLAS	75-6092 ALII DR KAILUA KONA HI 96740	375020021	32	B REPT	8/6/2009
6852	LEWIN CONDOMINIUM	221 WAILAU PL LAHAINA HI 96761	247010076	2	B REPT	8/24/2009
6829	NAJAFI ESTATES	5631 KAAPUNI RD KAPAA HI 96746	446011078	2	B REPT	8/24/2009
6812	NAMAHANA VIEW	4391 KILAUEA RD KILAUEA HI 96754	452006039	2	B REPT	8/26/2009
2621	OCEANVIEW ESTATES	3669-B/C WOODLAWN DR HONOLULU HI 96822	129047001	2	SUPPL	8/6/2009
6780	TRALLER'S DOMAIN	3639 ILIMA PL KALAHEO HI 96741	425011027	2	B REPT	8/24/2009
0	Preliminary Reports					
0	Contingent Final Reports					
0	Final Reports					
5	Supplementary Reports					
9	B Reports					
2	B Amendment Reports					
16	TOTAL REPORT					

CPR Workshops and Meetings – Report on the Condominium Consultants' Forum/Workshop - August 18, 2009

Chair Loudermilk informed the Committee that the Condominium Consultants' Workshop and Forum was held on August 18, 2009. The meeting was attended by all (one consultant was excused from the afternoon session), staff, Commissioners Loudermilk and Suiso. Chair Loudermilk noted that there was a good exchange of ideas and suggestions.

The Chair also reported that the recommendations made by the consultants will either be incorporated into the rules or procedures. Chair Loudermilk then went on to discuss some of the recommendations noted by the Condominium Consultants.

Abandonment of registration application - 1) The developer has 6 months from the original submission to complete the application including completing any changes and submission of documents and information requested by the consultant; after 6 months, the filing is at risk that the Commission shall deem the application abandoned and the registration of the project shall require the submission of a new application, including nonrefundable fees; 2) The Commission may stay the abandonment upon receipt of a consultant's recommendation that the developer is continuing its efforts to complete the application or the delay is caused by reasons beyond the developer's control and that in all likelihood the application would be completed within a reasonable time;

3) The Commission shall terminate the stay of abandonment by a specific date upon receipt of a consultant's recommendation that the application has not been completed pursuant to the applicable requirements of Chapter 514B, HRS, within the six months of the date of the original submission; and Commission's acceptance of the consultant's recommendation which acceptance may be delegated to staff. Written notices to the developer will be sent at all three points in time.

E-filing – Senate Resolution 113, SD 1 "Urges the Real Estate Commission to adopt and submit a strategic plan to allow developers and attorneys to submit condominium registration filings in electronic format". Consider moving towards electronic filing. Currently all developers public reports issued effective dates are posted to the Commission's website. It was suggested that REB check on the electronic filing systems used by BREG, DOT, and the Judiciary's "Ho'ohiki" system. Other issues discussed included certifiable documents, training, budget, impact on personnel, eye fatigue, voluminous documents to review, security, viruses, and a survey of developers of this option.

The discussion that followed included favoring moving to electronic filing as our society is moving towards that direction; apparent wide range of opinions from the consultants; the option to submit the documents in hard copy; difficulty to read large documents on the screen; that the delivery method be made available in both e-file and hard copy; ARELLO has a similar program for its timeshare registry which is being adopted by several jurisdictions.

Fractional disclosure language – proposed revisions to the fractional disclosure language was drafted and provided to the Committee for its information. The proposed language refers consumers to the various county codes.

Abandonment of CPR registration application – Informal Non Binding Interpretation §514B-52 (b), HRS

This issue was discussed at the Condominium Consultant Workshop and a referral of recommendations discussed earlier will be made to the rulemaking committee for incorporation.

Abandonment of CPR registration application and proposed Developer's Public Report - Olohena Homestead Condominium, No. 6720; Developer, Alan Freidinger and Terry S. O'Shaughnessy; Glen Hale, Esq. attorney for developer – §514B-52 (b), HRS, Issue – Deferred from August 12, 2009 CRC meeting

Specialist Yee reported that an agreement has been made with the Developer's attorney. Mr. Hale has until October 23, 2009 to complete the registration process. October 23, 2009 is six (6) months from April 23, 2009, which is the date the Condominium Consultant recommended to REB that the project be deemed abandoned.

Program of Work: **Condominium Laws and Education**

Comments on the last draft of the brochures were provided to the vendor for incorporation. A final draft for posting to the REC website is due by September 18, 2009.

Rulemaking, Chapter 107

Specialist Stone reported that the comments were due by August 31, 2009. A first draft is targeted for the end of October.

Neighbor Island Outreach & Specialists Office for the Day

The October 14, 2009 committee meetings will be held on Oahu as originally scheduled. The Commission's travel request to hold its October 2009 committee meetings and Specialists Office for the Day was returned by the Director's Office with no action.

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.

CETF Budget & Finance Report: Commission and staff reviewed the CETF budget and finance report.

Upon a motion by Commissioner Aiona, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending June 30, 2009

Next Meeting: October 14, 2009
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 10:01 a.m.

Respectfully submitted:

/s/ Neil K. Fujitani *for*

Cynthia M. L. Yee
Senior Condominium Specialist

September 11, 2009

Date

Minutes approved as is.
 Minutes approved with changes; see minutes of _____