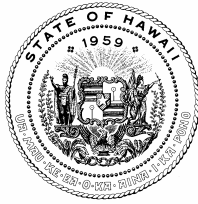


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July 23, 2012

MEMORANDUM

TO: Condominium Developers, Their Attorneys, and Interested Others
FROM: Real Estate Commission
SUBJECT: Change in Compensation Paid to Private Consultants Effective July 1, 2012

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The condominium law allows the Director of Commerce and Consumer Affairs to contract with private consultants for the review of documents and information submitted to the Real Estate Commission in connection with the registration of condominium projects and issuance of effective dates for developers' prepared public reports. (§514A-38, §514B-64, HRS).

In recent years, the Commission has seen an expansion in the amount of documents and information developers submit as part of the developers' condominium project registration applications. A recent study and review of the amount of time consultants spend reviewing the submitted documents and information over the past years warrant a realistic realignment and change in compensation paid by developers to these private consultants.

Effective **July 1, 2012**, towards these ends, in addition to the current \$1,000 consultant review fee paid by developers, the agreed compensation paid by developers to the private consultants now includes:

For any ***subsequent review** of additional and or supplemental documents and or information, which a developer is required to submit to complete the registration application, complex updates and/or changes to the registration application involving *more than two (2) material changes* and any subsequent review of developer's rewrites of the developer's public report, an additional hourly amount of ONE HUNDRED FIFTY DOLLARS (\$150) not to exceed a total of **ONE THOUSAND TWO HUNDRED AND NO DOLLARS** (\$1,200) plus any approved expenses incurred in connection with the subsequent review.

Any additional hourly amounts recommended by a consultant shall be approved by the Real Estate Commission.

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Additionally, the developer must submit payment of the recommended and approved amount to the Real Estate Commission prior to the consultant resuming with the review of a developer's registration application (developer shall be notified of the additional amount).

Summary of fees is provided below:

REPORT TYPE	CONSULTANT FEE AMOUNT
Initial review	\$1,000
<i>*(Subsequent review including review of any developer rewrites)</i>	\$150 per hour not to exceed \$1,200 + approved expenses incurred with review
Amendments or Supplementary	
• Non-complex	\$150
• Updates/changes (non-substantive)	\$100
• <i>*(Subsequent review including review of any developer rewrites)</i>	\$150 per hour not to exceed \$1,200+ approved expenses incurred with review
Amended or Full Supplementary (complex changes)	\$1000
<i>*(Subsequent review including review of any developer rewrites)</i>	\$150 per hour not to exceed \$1,200+ approved expenses incurred with review

- **Non-complex** – *pertinent changes and/or changes involving up to two (2) material changes. Commission retains the right to require reporting the changes in a full Supplementary or Amended Developer's Public Report*
- **Updates/changes** – *(e.g.) names of "persons connected to the (condominium) project" and other non-substantive stylistic updates and/or changes*
- **Complex** – *more than two (2) material changes*

"Abandoned" registration application - fees as specified above for services rendered by the consultant where the Commission has deemed a registration application abandoned in accordance with §514B-52, HRS, or §436B-9, HRS.

Standard fees will remain at:

- | | | |
|----|---|-------|
| 1. | Application fee | \$250 |
| 2. | Supplementary public report (§514A, HRS reports) | \$75 |
| 3. | Amendments (§514B, HRS reports) | \$75 |
| 4. | Public report extension (§514A, HRS reports) | \$50 |
| 5. | Two apartment no expiration; exception (§514A, HRS reports) | \$100 |
| 6. | Extending expiration | \$50 |
| 7. | Annual report (§514B, HRS) | \$50 |
| 8. | Developer fee per apartment | \$5 |