

**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: January 12, 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  
Stanley Kuriyama, Broker / Honolulu Commissioner  
Frances Gendrano, Broker / Honolulu Commissioner  
Walt Harvey, Broker / Honolulu Commissioner  
Scott Sherley, Broker / Hilo Commissioner – late arrival

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  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Ron Tsukamaki, Atlas Insurance Agency  
Michael Ayson, Atlas Insurance Agency  
Aron Espinueva, Hawaii Association of REALTORS®  
Marsha Shimizu, Hawaii Association of REALTORS®  
Kenneth Chong, Condominium Consultant  
Suzanne King, Honolulu Board of REALTORS®  
Chris Catanzaro, Digital Learning Centers  
Jean Catanzaro, Digital Learning Centers  
Monika Catanaro, Digital Learning Centers  
David Catanzaro, Digital Learning Centers

Absent: Mark Suiso, Vice Chair, Public / Honolulu Commissioner  
Donna Apisa, Broker / Kauai Commissioner  
Carol Ball, Broker / Maui Commissioner

Call to Order: Chair Loudermilk called the meeting to order at 9:53 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.

Commissioners Apisa, Suiso, and Ball were excused from the meeting. Prior notification of their non-attendance was received. Commissioner Sherley informed staff this morning that his flight has been delayed.

Condominium  
Specialist's  
Report:

#### **Minutes**

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the December 8, 2010 Condominium Review Committee meeting as circulated.

Condominium  
Governance and  
Management:

#### **AOUO Registrations**

Specialist Stone reported that as of December 31, 2010, 1,665 AOUOs have successfully registered.

#### **Request of Atlas Insurance to Reconsider Accepting Fidelity Bonding Certificates for more than Statutory Amount**

Present on behalf of Atlas Insurance were Ron Tsukamaki and Michael Ayson. Atlas requested that the Commission reconsider its previous decision and accept certificates of insurance that show more limits and added protection than required. The committee was informed that due to additional requirements of HUD and Fannie Mae, etc., associations are requiring additional coverage.

Mr. Tsukamaki noted that by requiring that the association take out an additional policy for the amounts in excess of the statutory maximum there are consequences which the association faces such as: 1) increase cost for additional policies, 2) separate policies can lead to coverage gaps; and 3) unit owners may miss the opportunity to secure favorable mortgage rates.

Chair Loudermilk informed the representatives of Atlas Insurance that the Commission is restricted by the statute. Fidelity Bonds showing more than the statutorily required limits can only be accepted in those cases where the association amends its declaration or bylaws to allow or mandate a higher fidelity bond amount. In those cases, a copy of the excerpt of the declaration or the bylaws would need to be submitted with the certificate of insurance.

### Condominium Seminars and Symposium

It was reported that the contract with CAI Hawaii for the development and delivery of educational seminars ends June 30, 2011. Staff has set in motion a memo to the Director requesting approval to procure for such services.

Specialist Yee also noted that staff has received communication from the Condominium Council of Maui (CCM) of their interest to offer condominium educational seminars. Staff has provided CCM with the information on registering with HePS as a vendor in order to participate in any request for quotation procurement.

Specialist Yee noted that many of the tasks discussed in the "ombudsman" article are performed per the condominium statute by Real Estate and Condominium Specialists.

Commissioner Shirley arrives at 10:02 and informs the Commission that his flight was delayed due to airplane mechanical problems.

### Condominium Related Articles

The following articles were distributed for informational purposes: *Community Association Management Insider* - "Recent Legislative Trends: States Create Ombudsman and Raise Manager Licensing Requirements" (Special Issue) and "Bedbug Protection for NY Condo, Co-op Buyers" (December 2010); *CAI Hawaii* (December 2010) - "On the Front Line of Sustainability" and "Noted Community Association Attorney Hyatt Details Future."

Condominium  
 Project  
 Registration:

### Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of December 2010 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPORT DATE
7048	47-708 AND 47-708A AKAKOA PLACE	47-708 AND 47-708A AKAKOA PL KANEHOE HI 96744	147043058	2	B REPT 12/13/2010
7047	932 22ND AVENUE	938 22ND AVE HONOLULU HI 96816	132049018	2	B REPT 12/3/2010
6942	AINA PONO ESTATES	7181 AINA PONO ST KAPAA HI 96746	442015032	2	B REPT 12/2/2010
7005	HANAIEI WATERFALLS	5-5428 KUHIO HWY HANAIEI HI 96714	455004023	2	B REPT 12/21/2010
7051	HUI HOALOHA	3557 BALDWIN AVE MAKAWAO HI 96768	224037014	4	B REPT 12/30/2010
6994	IHU WA' A ESTATES	4206 IHU RD KALAHEO HI 96741	423007001	2	B REPT 12/13/2010
7046	INOUYE FAMILY CONDOMINIUM	1860 & 1890 KEKAULIKE AVE KULA HI 96790	222010017	2	B REPT 12/20/2010
7020	JAVIER ESTATES	3117 & 3119 UNAHE ST (LOT 20) LIHUE HI 96766	436019042	2	B REPT 12/20/2010
7003	JOHNNY V	6649 WAIAKEA RD KAPAA HI 96746	446006043	2	B REPT 12/20/2010
6413	KALAHEO LUNA ESTATES	2993 WAWAE ROAD KALAHEO HI 96741	424005107	2	B AMD 12/9/2010
6174	KOLOA LANDING AT POIPU BEACH - PHASE I	2641 POIPU RD KOLOA HI 96756	428015025	87	B AMD 6 12/6/2010
6616	KOLOA LANDING AT POIPU BEACH - PHASE II	2641 POIPU RD KOLOA HI 96756	428015025	242	B AMD 2 12/6/2010
7037	LAIMANA ROAD	74-853 LAIMANA RD	374009020	2	B REPT 12/6/2010

7044	LANA'I OCEAN VIEW ESTATES CONDOMINIUM	KAILUA KONA HI 96740 11 PUA NIU WAY LAHAINA HI 96761	247009069	2	B REPT	12/20/2010
5379	MAUNAHILU PROPERTIES	3901 MAUNAHILU PLACE HONOLULU HI 96816	133022020	7	SUPPL	12/13/2010
7035	MENEHUNE VILLA	704 & 712 MENEHUNE LN HONOLULU HI 96826	127023013	2	B AMD	12/2/2010
5251	MOLOAA GATEWAY	MOLOAA ROAD KAWAIHAU HI	449011005	5	SUPPL	12/13/2010
6845	NIUMALU 2371 CONDOMINIUM	2371 E NIUMALU RD LIHUE HI 96766	432002031	3	B AMD 2	12/6/2010
6938	THE TOWN HOMES at KA MAKANA at HOAKALEI INCREMENT 6	KEONE'ULA BLVD & KAMAKANA ST EWA BEACH HI 96706	191134018	30	B AMD 2	12/8/2010
6988	VANA CONDOMINIUM PROJECT	59-326 KOHALA KAI PL N KOHALA HI	359006045	2	FINAL	12/29/2010
6305	WAIPIO BUSINESS CENTER	94-1363 MOANIANI ST WAIPAHU HI 96797	194128005	99	B AMD 5	12/15/2010
0	<b>Preliminary Reports</b>					
0	<b>Contingent Final Reports</b>					
1	<b>Final Reports</b>					
2	<b>Supplementary Reports</b>					
11	<b>B Reports</b>					
7	<b>B Amendment Reports</b>					
21	<b>TOTAL REPORTS</b>					

### **CPR Project – Status of Annual Report Filings §514B-58, HRS**

It was reported that of the approximate 1180 e-dates issued as of December 2010, only an approximate 277 annual reports have been received.

Staff is considering sending either an email or hard copy reminder to developers to fulfill this obligation. Staff may also consider creating a developers bulletin as a means of communication. The committee indicated that notification of the non submittal of annual reports appears in order.

### **Condominium Project Registration Related Articles**

The following articles from the *Community Association Management Insider* were distributed for informational purposes: "FHA Condo Recertification Due Dec. 7, 2010" (December 2010) and "Comment Period Ends on FHFA Proposal." (November 2010).

#### **Program of Work: Rulemaking, Chapter 107**

The draft proposed rules have been sent out to selected stakeholders including condominium consultants, RICO, etc. Other than the Chair of the CRC, to date only one response has been submitted by Condominium Consultant Kenneth Chong.

Staff is continuing to review and fine tune the drafts completed. Staff will provide the committee with an updated draft in the near future.

### **Records Management**

Specialist Leong reported that all original copies of the developer's public report are kept in storage in hardcopy. Thus the Commission is running out of physical storage space. The DCCA/PVL retention period for project files is 10 years, but the retention period for the public reports are 20 years. Pursuant to the retention

policy, staff is investigating the destruction laws for the older public reports. This document is made available to the public via the Commission's website.

Specialist Yee noted that DCCA/PVL has not yet adopted a uniform standard for accepting electronic copies of project documents.

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: February 9, 2010  
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 10:10 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

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Cynthia M. L. Yee  
Senior Condominium Specialist

January 20, 2011

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Date

Minutes approved as is.

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