

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: April 11, 2012

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
Nikki Senter, Vice Chair, Public / Honolulu Commissioner
Carol Ball, Broker / Maui Commissioner
Scott Sherley, Broker / Hilo Commissioner
Walt Harvey, Broker / Honolulu Commissioner
Rowena Cobb, Broker / Kauai Commissioner
Aileen Wada, Broker / Honolulu Commissioner

Miles Ino, 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: Aron Espinueva, Hawaii Association of REALTORS®
Richard Furushima, Owner, One Waterfront Towers
Scott Arakaki

Absent: Stanley Kuriyama, Broker / Honolulu Commissioner
Frances Gendrano, Broker / Honolulu Commissioner

Call to Order: Chair Loudermilk called the meeting to order at 9:13 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 Kuriyama and Gendrano were excused from the meeting. Prior notification of their non-attendance was received.

Condominium
Specialist's
Report:

Minutes

Upon a motion by Commissioner Sherley, seconded by Commissioner Senter, it was voted on and unanimously carried to accept the minutes of the March 7, 2012 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOUO Registrations

Specialist Stone reported that as of March 31, 2012, 1,648 AOUOs have successfully registered.

Case Law Review

The following article was distributed for informational purposes: "Couple Wins \$3.87M In Condo Suit" – *Star Advertiser.com* Posted 1:30 a.m. HST, March 28, 2012.

Condominium Related Articles

The following were distributed for informational purposes: "Bad Plumbing?" *Star Advertiser.com* Posted 1:30 a.m. HST, March 11, 2012; "Recall Proceedings at Condominium Association Meetings" – *CAI Hawaii* (February 2012); "Major Replacement Project Planning and Execution", *CAI Hawaii* (February 2012); and "Special Assessments vs. AOA Loans", *CAI Hawaii* (February 2012).

Commissioner Cobb questioned whether all condominium associations are required to follow the Roberts Rules of Order.

Specialist Yee responded in the affirmative in general.

Division of Financial Institutions, DCCA, State of Hawaii's March 13, 2012 Request for an Informal Non Binding Interpretation of §514A-97(c)(1), HRS, Association of Apartment Owners Funds; Handling and Disbursement, and §514B-149(c)(1)(A), HRS, Association Fiscal Matters; Handling and Disbursement of Funds and any related HRS sections

Staff reported receiving a request and an agreement from both the Division of Financial Institutions (DFI) and Wayne K. T. Mau, Esq., Koshiba Price Gruebner & Mau representing Mutual Bank of Omaha to defer the request.

Upon a motion by Commissioner Ball, seconded by Commissioner Harvey, it was voted on and unanimously carried to defer DFI's request for informal non binding interpretation.

Condominium
Project
Registration:

Consultants

Staff received permission to procure for the professional services of condominium consultants and that the compensation schedule will be revisited.

Case Law

The following article was distributed for informational purposes: "The Battle Over Coverage for Construction Defects," *Hawaii Bar Journal* (March 2012).

Program of Work:

Legislative Acts and Resolutions

Staff provided an update on the status of Bills the Branch is tracking at the Laws and Rules Review Committee meeting.

Neighbor Island Outreach

The May 9, 2012 committee meetings will be held on the island of Kauai at the State Office Building, 3rd Floor Conference Room, Lihue.

Rulemaking, Chapter 53, Fees

Specialist Yee reported that staff has incorporated the AG's comments and recommendations and is awaiting the return of the signed "approved as to form" Ramseyer copies of the fees. Upon receipt of the signed copies, staff will proceed with requesting the Governor's approval to go to public hearing.

Condominium Specialist Office For the Day

The next Condominium Specialist Office for the Day will be held in conjunction with the neighbor island outreach meetings on May 9, 2012 in Lihue, Kauai.

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.

Commissioner Sherley reported that he will be attending an ADA seminar on Maui which is being offered by the Maui Hotel and Travel Association and being promoted by the Condominium Council of Maui. Commissioner Sherley noted that he will provide information to the Committee regarding the information gained at the seminar.

CETF Budget & Finance Report:

No report presented.

Next Meeting:

May 9, 2012
Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.
Lihue State Office Building, 3rd Floor Conference Room
3060 Eiwa Street
Lihue, Hawaii 96766

Adjournment: With no further business to discuss, Chair Loudermilk adjourned the meeting at 9:35 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

April 16, 2012

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CY/tn/120416