

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: August 13, 2008

Time: Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.

Place: Lihue Public Library
Conference Room
4344 Hardy Street
Lihue, Kauai

Present: William Chee, Chair, Broker / 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
Michele Sunahara Loudermilk, Public / Honolulu Commissioner
Frances Gendrano, Broker / Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer
Cynthia Yee, Senior Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Karen Ono, Kauai Board of REALTORS®
Walt Berhalter, All Islands Real Estate School
Phil Fudge, Kauai Board of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®

Absent: Annette Aiona, Broker / Hilo Commissioner

Call to Order: Chair Chee called the meeting to order at 9:52 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.

Commissioner Aiona was excused from the meeting. Prior notification of her non-attendance was received.

Condominium
Specialist's
Report:

Minutes

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the minutes of the July 9, 2008, Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOAO Registrations

Specialist Yee reported that as of July 31, 2008, 1,607 AOAOs have successfully registered.

Ad Hoc Committee on Condominium Education and Research – Electronic Procurement Quotations – Received Responsive Quotes for Educational Services for updating, rewriting REC 1991 brochures "Condominium Owner Rights and Responsibilities" and "Condominium Board Members Powers and Duties"

Commissioner Suiso reported that two bids were received in response to the electronic request for quotations to revise, edit, rewrite, and update the Commission's 1991 brochures "Condominium Owner Rights and Responsibilities" and "Condominium Board Members Powers and Duties."

Upon a motion by Commissioner Suiso, seconded by Commissioner Nishihara, pursuant to HRS §§103D-202, 103D-305, HAR §3-122-75(c), it was voted on and unanimously carried to accept the proposal from Ekimoto & Morris, LLLC, to revise, edit, rewrite, and update the Commission's 1991 brochures "Condominium Owner Rights and Responsibilities" and "Condominium Board Members Powers and Duties" - Ekimoto & Morris LLLC's proposal being the lowest and responsible offeror.

Condominium Seminars and Symposium - CAI Hawaii Chapter "2008 Legislative Update"

Specialists Yee and Leong submitted evaluations of their attendance at CAI Hawaii Chapter's "2008 Legislative Update" held on July 24, 2008. The evaluations were distributed for informational purposes.

Condominium Related Articles

The following articles were distributed for informational purposes: "How New Condo Lending Guidelines Affect Associations" *Community Association Management Insider* (July 2008); "Caught in the Web" *Common Ground* CAI's Magazine for Community Association Leaders (July August 2008); and "Home Sweet Home" *Common Ground* CAI's Magazine for Community Association Leaders (July August 2008)

FDIC Failed Bank Information - Bank Closing Information for First National Bank of Nevada, Reno, NV

Specialist Yee reported that back in 2005 the Commission issued an informal non-binding interpretation that the First National Bank of Nevada is not a financial institution located in the State as required by section 514A-97(c)(1), HRS. In February 2006, the Commission issued an informal non-binding interpretation that

Community Association Banc (CAB) subject to meeting certain conditions as represented in its letter of January 11, 2006 to the Commission, that CAB would be deemed a financial institution pursuant to HRS §514A-99(c) (1) and 514B-149 (c)(1). CAB's attorney represented to the Commission that CAB is the business division of First National Bank of Nevada, Arizona, and First Heritage. Recently, staff received information that the First National Bank of Nevada was closed by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation was named Receiver. Subsequently, funds deposited with CAB are now being administered by the Mutual of Omaha Bank. This information was posted at the FDIC's website.

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of July 2008 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPT	DATE
6631	3910 & 3912 PAHOA AVENUE	3910 & 3912 PAHOA AVE HONOLULU HI 96816	132044039	2	B REPT	7/24/2008
2025	53-866 C KAMEHAMEHA HIGHWAY	53-866C KAMEHAMEHA HWY HAUULA HI 96717	153013005	8	SUPPL	7/16/2008
6628	941 AND 941 A 21ST AVENUE CONDO	941 & 941A 21ST AVE HONOLULU HI 96816	132049010	2	B RPT	7/24/2008
6618	ANYUKA OHANA	17 & 17A SOUTH KALAHEO AVE KAILUA HI 96734	143069009	2	B RPT	7/1/2008
6627	EXECUTIVE PLAZA	94-131 MALAKEKE PL WAIPAHI HI 96797	194161005	10	B RPT	7/3/2008
6591	HAIKU MIDWAY CONDOMINIUM	1335 HAIKU RD HAIKU HI 96708	227010006	2	B RPT	7/3/2008
5765	HOKULANI SQUARE	1415 MIDDLE ST HONOLULU HI 96819	113012021	19	SUPPL 2	7/15/2008
6163	HONU KAI CONDO (BUILDING NE-A)	LOT 4 KAANAPALI HI	244014006	191	B AMD 2	7/11/2008
6164	HONU KAI CONDO (BUILDING NE-B)	LOT 4 KAANAPALI HI	244014006	61	B AMD 2	7/11/2008
6165	HONU KAI CONDO (BUILDING NE-C)	LOT 4 KAANAPALI HI	244014006	61	B AMD 2	7/11/2008
22	ILIKAI APARTMENT BUILDING THE	1777 ALA MOANA BLVD HONOLULU HI 96815	126010007	1025	SUPP 3	7/11/2008
6597	KAULANA CONDOMINIUMS	99-012 A/B/C/D/E/F KAUAHALE ST AIEA HI 96701	199041046	6	B RPT	7/18/2008
4680	KIHEI COMMERCIAL CONDO II	300 OHUKAI RD KIHEI HI 96753	239045014	72	SUPP 3	7/29/2008
6398	KILAUEA RIVER FARMS CONDO	4685 KUAVA RD KILAUEA HI 96754	452013005	5	B AMD	7/15/2008
6595	KOLOA CREEKSIDE ESTATES I	LOT 186 WELIWELI RD KOLOA HI 96756	428009001	9	B RPT	7/18/2008
6580	KUBO CONDOMINIUM	6918 KOKEANU PL KAPAA HI 96746	442014008	2	B RPT	7/16/2008
6441	MAKALI'I CONDOMINIUM	HOOLAULEA WAY KALAPAKI HI	435001027	49	B AMD	7/28/2008
5525	SUMMER BREAK	4901 HANAILEI PLANTATION RD PRINCEVILLE HI 96722	454004045	2	SUPP	7/16/2008
0	Preliminary Reports					
0	Contingent Final Reports					
0	Final Reports					
5	Supplementary Reports					

8	B Reports
5	B Amendment Reports
18	TOTAL REPORTS

Consultants

Specialist Yee reported that all 12 consultant contracts have been executed and stated that there are five new consultants.

Owner-Occupant

Upon a motion by Commissioner Abrams, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to ratify the following "No Action" owner-occupant letters:

April 22, 2008	Tom and Catherine Powers	Kai Malu at Wailea #72A	Serious Illness
June 10, 2008	Mr/Mrs. Romulo Pinlac	Capitol Place #3409	Unforeseeable Change (addition of family member)

CPR Project - For Information – Letter from Gordon Arakaki, former recodification attorney, to Kenneth Chong, condominium consultant, Subject: Spatial Units

A copy of a letter dated November 29, 2007, addressed to Ken Chong, Esq., regarding spatial units was distributed to the Commissioners for their information.

Specialist Yee reported that, to date, the Commission has issued effective dates for 12 developer public reports with spatial units.

Program of Work:

Condominium Laws and Education – Unofficial Copy of Chapters 514A & 514B, HRS

The unofficial copy of Chapters 514A and 514B revised July 2008 were distributed for informational purposes. It was also announced that both can be viewed on the Commission's website at www.hawaii.gov/hirec.

Legislative Acts and Resolutions – Proposed Legislation - Condominium Education Trust Fund

Specialist Yee reported that HRS Chapters 514A and 514B include a trust fund which the Commission administers for educational purposes. HRS Chapter 514A titles the trust fund as the "Condominium Management Education Fund" and HRS Chapter 514B titles the trust fund as the "Condominium Education Trust Fund". The current thought is to initiate an administrative bill to combine the two funds for administrative ease, accounting and allocation of funds. However, staff still needs to ascertain whether the administration will support this proposed legislation.

Condominium Reference Library

Commissioner Suiso reported that CAI has invited the Commission to participate in their Adopt a Library program as a co-sponsor. The thought is to donate \$1,500 worth of books and pamphlets for \$350 and these materials will be made available in two to three Oahu libraries, one library in Kona and one library in

Maui. Commissioner Suiso stated that he would also like to see the materials available in Kauai and possibly a link on the Commission's website also.

The Deputy AG confirmed that this sponsorship would be exempt from the procurement rules as it is considered research and reference materials.

Specialist Yee stated that Specialist Leong has been working on the project and preliminary negotiations.

Chair Chee stated that the Committee is in support of this program; however, clarification is needed on the cost of the program and if Kauai, and possibly Molokai, can be included. This and other information should be provided to the Commission at its August 29, 2008 meeting.

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.

CEF Budget & Finance Report: No report presented.

Next Meeting: September 10, 2008
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 Chee adjourned the meeting at 10:15 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

August 20, 2008

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____