

**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: December 10, 2014

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: Scott Sherley, Chair, Broker / Hilo Commissioner  
Bruce Faulkner, Vice Chair / Maui Commissioner  
Nikki Senter, Public / Honolulu Commissioner  
Rowena Cobb, Broker / Kauai Commissioner  
Aileen Wada, Broker / Honolulu Commissioner  
Scott Arakaki, Public / Honolulu Commissioner  
Laurie A. Lee, Broker / Honolulu Commissioner  
Michael Pang, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer  
Miles Ino, Executive Officer  
Cynthia Yee, Senior 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: None

Absent: Aleta Klein, Broker / Interim Honolulu Commissioner

Call to Order: Chair Sherley called the meeting to order at 9:51 a.m., at which time quorum was established. Chair recessed the meeting at 9:52 a.m.

The meeting was reconvened at 11:08 a.m.

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

Condominium  
Specialist's  
Report:

**Additional Distribution**

The following materials were distributed prior to the start of the meeting:

- 6. Program of Work, FY15
  - e. Rulemaking, Chapter 107/119

Minutes:

Upon a motion by Commissioner Faulkner, seconded by Commissioner Wada, it was voted on and unanimously carried to accept the minutes of the November 12, 2014 Condominium Review Committee meeting as circulated.

Condominium  
Governance and  
Management:

**Mediation and Arbitration**

Act 187 intended to increase support of evaluative mediation for resolving disputes between condominium owners increases the fees paid into the CETF beginning with the July 2015 AOUO registration. The increase in fees will be dedicated to supporting evaluative mediation.

Evaluative mediation is mediation that employs trained mediators who possess subject matter expertise in various areas of the law. Many of the practitioners of evaluative mediation are active or retired attorneys and retired judges.

Dispute Prevention and Resolution (DPR) presently conducts mediations closest to the evaluative style. Both DPR and the Mediation Center of the Pacific (MCP) have provided a cost commitment and suggested payment schedule. Staff has also been in contact with sole practitioners who may or may not assist DPR and MCP.

Issues before the Commission are: 1) choose a provider(s) to conduct evaluative mediation for the REB; 2) determine an amount to pay the providers; and 3) determine maximum yearly budgeted amount.

Commissioners were apprised of the current mediation contracts, which in totality do not currently exceed the budgeted amount of \$20,000 per fiscal year, mainly for facilitative mediation, \$300 maximum per case for facilitative mediation and \$500 maximum per case for evaluative mediation. The current subsidized mediation is subject to the budgeted amount and thus operates on a first-invoiced first-paid basis in any given year.

SEO Fujitani noted that the Commission may contract with multiple providers, but should set an identical payment scheme for all providers.

Commissioner Pang noted that DPR has an 80% success rate.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Wada, it was voted to approve the hourly payment proposal as provided by DPR as the payment scheme; with REB staff discretion on recommended budget monies dedicated to mediation; and 3) REB discretion on parties to contract with subject to names submitted to the Commission for contract approval. Commissioner Pang opposed. The motion carried.

**AOUO Registrations**

Specialist Stone reported that as of November 2014, 1,668 AOUOs have successfully registered.

**Condominium Related Articles**

The following articles from the October 2014 issue of *CAI Hawaii* were distributed for informational purposes: "Straight Line vs. Cash Flow Reserved Funding" and "What Is the Association's Reserve Fund Condition?"

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the month of November 2014 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPORT DATE
7429	1108 AUAHI	1108 AUAHI ST HONOLULU HI 96814	123005013	320	B AMD 2 11/14/2014
7561	128 & 130 PROSPECT STREET	128 & 130 PROSPECT ST HONOLULU HI 96813	122006004	2	B REPT 11/13/2014
7545	1731 MIKAHALA WAY CONDOMINIUM	1731A & 1731B MIKAHALA WAY HONOLULU HI 96816	133031034	2	B REPT 11/6/2014
7421	1916 AND 1920 KEALOHA STREET	1916 1920 & 1920-A KEALOHA ST HONOLULU HI 96819	113007018	3	B AMD 11/20/2014
5963	2765 ROUND TOP DRIVE	2765 ROUND TOP DR HONOLULU HI 96822	125005005	2	SUPPL 11/6/2014
7531	474 KULIOUOU ROAD	474 KULIOUOU RD HONOLULU HI 96821	138010009	8	B REPT 11/10/2014
7471	AKITA CONDOMINIUM	3580 KOLOA RD KOLOA HI 96756	425004070	2	B AMD 11/20/2014
4599	ALOHI AKA	LOT 24 HOOMALU KAILUA KONA HI 96740	377004091	2	SUPPL 11/7/2014
7541	HANAIEI RIVER GARDENS	5219 HANAIEI PLANTATION RD HANAIEI HI 96714	454004009	5	B REPT 11/25/2014
7350	KAULANA HALE ESTATES	341 KAULANA RD KAPAA HI 96746	441011014	2	B AMD 2 11/6/2014
7578	KAWAINUI CONDOMINIUM	602, 602A, 606 & 606A KAWAINUI KAILUA HI 96734	143059068	4	B REPT 11/10/2014
7581	KULALANI AT MAUNA LANI (PH 8)	68-1118 N KANIKU DR KAMUELA HI 96743	368022007	6	CONT 11/25/2014
7377	KULEANA HUI ESTATES	3686 AKEA RD HANAPEPE HI 96716	419012043	3	B AMD 11/17/2014
7582	OLINO AT MEHANA	801 KAKALA ST KAPOLEI HI 96707	191160051	172	B REPT 11/13/2014
7570	PARADISE HEIGHTS	1802 LANILOA PL WAHIAWA HI 96786	175008005	3	B REPT 11/25/2014
7575	PARK LANE	1388 ALA MOANA BLVD HONOLULU HI 96814	123038013	215	B REPT 11/7/2014
3819	POELEELE VALLEY ESTATES	3873A D & G OMAO RD KOLOA HI	427004077	3	SUPPL 11/25/201
7557	SING LOY CORNER	1460 & 1460A SING LOY LN HONOLULU HI 96817	117044111	2	B REPT 11/6/2014
7576	SUGAR MILL 557	94-557 KOALEO ST WAIPAHU HI 96797	194035090	2	B REPT 11/13/2014
6199	VILLAS AT KEHALANI - PHASE I THE	KEHALANI PKWY WAILUKU HI 96793	235001074	62	B AMD 11 11/14/2014
6712	VILLAS AT KEHALANI - PHASE II THE	KEHALANI PKWY WAILUKU HI 96793	235001074	41	B AMD 9 11/14/2014
7563	WALE-MELE	1230 & 1232 MANU MELE ST KAILUA HI 96734	142051071	2	B REPT 11/10/2014
0	Preliminary Reports				
1	Contingent Final Reports				
0	Final Reports				
3	Supplementary Reports				
11	B Reports				
7	B Amendment Reports				
22	TOTAL REPORTS				

**Owner-Occupant  
 Developer's Public Report and Amendments - Revisions  
 Rulemaking, Chapter 107/119**

Program of Work:

Executive Session: Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to enter into executive session, pursuant to section 92-5(a)(1), HRS, pursuant to section 92-5(a)(4), HRS, "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

Upon a motion by Commissioner Cobb, seconded by Commissioner Lee, it was voted on and unanimously carried to move out of executive session.

**Owner-Occupant** - Commission received an update on an owner-occupant request for a no action letter.

Condominium Projects **Developer's Public Report and Amendments - Revisions**  
And Developer's

Public Reports: Upon a motion by Commissioner Senter, seconded by Commissioner Pang, it was voted on and unanimously carried to defer the issue to the December 19, 2014 Real Estate Commission meeting.

Program of Work: **Rulemaking, Chapter 107/119**

Blue Ribbon Committee Co-Chairs to determine special invitees to future Blue Ribbon Committee meetings for input on specific topics.

Condominium Organizations Forum: Staff attended the recent HCAA seminar entitled "Almost Free Legal" which was well attended and very interesting.

CETF Budget & Finance Report: Upon a motion by Commissioner Faulkner, seconded by Commissioner Cobb, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending September 30, 2014.

Next Meeting: January 7, 2015  
Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.  
REALTORS® Association of Maui  
441 Ala Makani Place  
Kahului, MAUI

Adjournment: With no further business to discuss, Chair Sherley adjourned the meeting at 11:55 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

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Cynthia M. L. Yee  
Senior Condominium Specialist

December 24, 2014

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Date

Minutes approved as is.

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