

**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 11, 2019

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: Laurie A. Lee, Chair, Broker / Honolulu Commissioner  
John Love, Vice Chair, Public / Honolulu Commissioner  
Bruce Faulkner, Broker / Maui Commissioner  
Scott Arakaki, Public / Honolulu Commissioner  
Aleta Klein, Broker / Honolulu Commissioner  
Michael Pang, Broker / Honolulu Commissioner  
Sean Ginoza, Broker / Hawaii Island Commissioner  
Russell Kyono, Broker / Kauai Commissioner  
Derrick Yamane, Broker / Interim Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer  
Miles Ino, Executive Officer  
Carole Richelieu, Senior Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Dathan Choy, Condominium Specialist  
Lorie Sides, Condominium Education Specialist  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Ethel Keyes, Hawaii Association of REALTORS®  
Chatney Higa-French, Hawaii Association of REALTORS®  
Andrew, Nguyen, Hawaii Association of REALTORS®  
Thomas Welch, Esq., Mancini Welch & Geiger, LLP  
Bryan Andaya, Abe Lee Seminars  
Stacey Wong, Abe Lee Seminars

Absent: None.

Call to Order: The Chair called the meeting to order at 9:19 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.

Condominium  
 Specialist's  
 Report:

**Additional Distribution**

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

- 5. Program of Work FY 20
  - a. Condominium Laws and Education
    - 1) November 9, 2019 Condorama VI
  - b. Legislative Acts and Resolutions – Act 278 meeting November 22, 2019

Minutes:

Upon a motion by Commissioner Klein, seconded by Commissioner Pang, it was voted on and unanimously carried to accept the minutes of the November 6, 2019 Condominium Review Committee meeting as circulated.

Condominium  
 Governance and  
 Management:

**AOUO Registrations**

Specialist Stone reported that as of November 30, 2019, 1,471 AOUOs have successfully registered.

**Case Law Review Program**

The following was distributed for informational purposes: Horist et al. v. Sudler and Company D/B/A Sudler Property Management et al., Seventh Circuit, October 21, 2019.

**Condominium Related Articles**

The following articles were distributed for informational purposes: Hawaii Bar Journal, volume 2, number 11, November 2019, "Legislative Update from the Hawaii Real Estate Commission;" Building Management Hawaii, November 2019 excerpts – Hawaiian Properties, Ltd. Ad featuring the 2019 annual seminar for board of directors; editor's desk "On the Brink of an Insurance Crisis"; "Help for Condo Associations" and "Condo Owners Catch a Break on State Fee."

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the month of November 2019 was distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPORT	DATE
8439	1100 ALA MOANA	1100 ALA MOANA BLVD HONOLULU HI 96814	123001129	350	B REPT	11/25/2019
8384	47-508 HUI IWA STREET	47-508 A, B, C HUI IWA ST KANEHOE HI 96744	147061009	3	B REPT	11/13/2019
5657	85-1330A AND 85-1330B EAST WAIANAE VALLEY ROAD	85-1330 EAST WAIANAE VALLEY WAIANAE HI 96792	185004021	2	SUPPL	11/12/2019
8398	HALE O DONNELLY	4380 MAHA RD KOLOA HI 96756	427006050	2	B REPT	11/6/2019

8437	JAWS SURF CONDOMINIUM	LOWER ULUMALU RD HAIKU HI 96708	228003066	2	B REPT	11/18/2019
8429	KAILUA LOFTS	604,604-A,614,614-A WAILEPO ST KAILUA HI 96734	143059095	42	B REPT	11/5/2019
8431	KAUHIKOA FARMS LOT 3-L CONDOMINIUM	698 KAUAHEAHE PL HAIKU HI 96708	227008229	2	B REPT	11/15/2019
8435	KAUKONAHUA RANCHES I	65-665 KAUKONAHUA RD WAIALUA HI 96791	165001050	2	B REPT	11/20/2019
8436	KAUKONAHUA RANCHES II	65-725 KAUKONAHUA RD WAIALUA HI 96791	165001051	2	B REPT	11/20/2019
8424	KIKALA SUNSETS	5001 KIKALA RD KALAHEO HI 96741	424005153	2	B REPT	11/4/2019
7708	MAKALI'I AT WAILEA	KAUKAHI ST & WAILEA ALANUI DR WAILEA HI 96753	221008120	68	B AMD 2	11/26/2019
8428	OILI CONDOMINIUM	68 & 70 OILI RD HAIKU HI 96708	227013216	2	B REPT	11/18/2019
8426	WILDCATS/DUCKS	278 HAULANI ST PUKALANI HI 96768	223048033	2	B REPT	11/18/2019
0	<b>Preliminary Reports</b>					
0	<b>Contingent Final Reports</b>					
0	<b>Final Reports</b>					
1	<b>Supplementary Reports</b>					
11	<b>B Reports</b>					
1	<b>B Amendment Reports</b>					
13	<b>TOTAL REPORTS</b>					

**Request for Informal Non-Binding Interpretation dated October 17, 2019  
 (follow up to June 3, 2019 request) Regarding Nesting**

**Executive Session:** Upon a motion by Commissioner Klein, seconded by Commissioner Love, it was voted on and unanimously carried to enter into executive session 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 Arakaki, seconded by Commissioner Love, it was voted on and unanimously carried to move out of executive session.

Mr. Welch reported that following the June 2019 Commission meeting, he received the Commission's July 12, 2019 letter noting the Commission's concerns, including suggestions to improve disclosures. Mr. Welch commented that the developer's public report has since been revised and resubmitted to the Commission.

Commissioner Arakaki commented that Mr. Welch's letter of October 17, 2019 suggested that they are open to working with a senior consultant on the matter and that the developer would fund the cost of the consultant's pre-review of the project. He questioned whether this was still the case. And if so, whether there was still an urgency.

Mr. Welch responded in the affirmative but noted that there is no longer the urgency as there was before. At the time one of the owners of one of the entities had wanted to get financing for a mortgage and believed that the bank would require a DPR. The bank issue has since been resolved.

Commissioner Lee asked whether the developer was able to get title insurance.

Mr. Welch responded in the affirmative and noted that the title insurance was arranged through Title Guaranty but the policies have not yet been issued.

Commissioner Love moved to engage one of the Commission's senior condominium consultants to conduct a pre-review of the proposed developer's public report and the underlying condominium documents and provide the Commission with a memorandum as to compliance with Chapter 514B, Hawaii Revised Statutes, potential concerns/risks raised by the submittal, and recommendations for addressing the concerns/risks, on the condition that the Developer pay for all of such consultant's fees associated with such review. Commissioner Pang seconded the motion. Commissioner Faulkner abstained from voting. The motion was voted on and carried.

Mr. Welch asked whether, should the developer incorporate suggestions made by the assigned senior condominium consultant during his pre-review, the DPR could be issued an effective date without coming back to the Commission for review.

Deputy AG Wong responded that it would depend on the information provided by the consultant and compliance with the legal requirements amongst others. The Commission's responsibility is consumer protection which may be addressed by adequate disclosures, but not completely. Legal requirements would need to be complied with.

Program of Work:

**Condominium Laws and Education**

November 9, 2019 Condorama VI

The Commission's Condorama VI was held on November 9, 2019, at the State Capitol. Topics for Condorama VI included: Effective Participation in the Legislative Process – Act 282 (2019), the "Nonjudicial Foreclosure Bill," A Case Study by Gordon Arakaki, Esq.; Legal Issues Relating to Board Meetings by John Morris Esq.; and Parliamentary Procedure and Best Practices for Owners and Boards at Board Meetings by Rachel Glanstein, PRP. The event included a 30 minutes Q & A session with the entire audience, followed by individual Q & As. There were 150 attendees, most of whom were first timers. The RSVPs were ended early due to the large volume of pre-registrations, approximately 175, to allow for walk-ins.

The Commission again took out newspaper ads announcing the event which proved to be successful.

The next Condorama will be held on the island of Maui on January 24, 2020.

Commissioner Faulkner questioned staff's publication of the Condorama events.

Specialist Stone responded that in addition to running newspaper ads, staff also sends the flyers to all state legislators, neighborhood boards through the Neighborhood Commission Office, association of unit owners designated contact officers, and managing agents. A press release is also issued to all media contacts through the Department, information posted on the Commission's and CAI Hawaii's websites, flyers available at the REC office location, and an email blast is sent to all individuals subscribed to the Commission's email subscription list.

Hawaii Home Buyers and Remodeling Expo

Staff provided educational outreach at the November 16<sup>th</sup> Hawaii Home Buyers and Remodeling Expo. Attendance at the Expo was sizeable and staff made approximately 185 contacts.

Associa Annual Board Member Training

Staff was invited by Associa to provide education outreach at Associa's November 16<sup>th</sup> Annual Board Member Training. The majority of inquiries related to governance issues and available resources of the Real Estate Branch.

**Legislative Acts and Resolutions – Act 278 Meeting**

The November 22, 2019 working notes relating to the Act 278 Study of Subdivision and CPR on Agricultural Lands on Oahu were distributed for informational purposes. The meeting was attended by condominium specialists Richelieu and Choy.

Condominium  
Organizations Forum:

No comments, recommendations, or concerns were received.

CETF Budget &  
Finance Report:

Upon a motion by Commissioner Faulkner, seconded by Commissioner Kyono, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending September 30, 2019.

Next Meeting:

January 8, 2020  
Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:00 a.m.  
UHMC Molokai Education Center  
375 Kamehameha V Highway  
Kaunakakai, HI 96748

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 10:18 a.m.

Respectfully submitted:

/s/ Carole R. Richelieu

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Carole R. Richelieu  
Senior Condominium Specialist

December 23, 2019

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Date

Minutes approved as is.  
 Minutes approved with changes; see minutes of \_\_\_\_\_

CRR:tn/