

**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: October 10, 2018

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  
Aileen Wada, Broker / Honolulu Commissioner  
Scott Arakaki, Public / Honolulu Commissioner  
Sean Ginoza, Broker / Hawaii Island Commissioner  
Russell Kyono, Broker / Kauai 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  
David Grupen, Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Chatney Pacheco, Hawaii Association of REALTORS®  
Ethel Keyes, Hawaii Association of REALTORS®

Absent: Michael Pang, Broker / Honolulu Commissioner  
Aleta Klein, Broker / Honolulu Commissioner

Call to Order: The Chair 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 Pang and Klein were excused from the meeting. Prior notification of their non-attendance was received.

Condominium  
Specialist's  
Report:

### **Minutes**

Upon a motion by Commissioner Faulkner, seconded by Commissioner Wada, it was voted on and unanimously carried to accept the minutes of the August 8, 2018 Condominium Review Committee meeting as circulated.

Condominium  
Governance and  
Management:

### **Mediation and Arbitration**

Specialist Stone reported that pursuant to Act 196 (2018), the Commission's mediation contracts will need to be amended to: 1) include voluntary binding arbitration as a subsidized method of condominium dispute resolution; 2) include a required voluntary binding arbitration fee of \$175 from each participating party; 3) cap the subsidized fee from the CETF at not more than \$6,000 per voluntary binding arbitration; 4) cap the maximum subsidized fee for evaluative mediation at not more than \$3,000 per evaluative mediation; and 5) expand the parties and issues for evaluative mediation and voluntary binding arbitration. The statutory amendments, per Act 196, will take effect January 2, 2019, through June 29, 2023.

Commissioner Faulkner questioned whether the budget will need to be adjusted due to the amendments.

Specialist Stone responded in the negative.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve the following amendments to the current mediation contracts: 1) include voluntary binding arbitration as a subsidized method of condominium dispute resolution; 2) include a required voluntary binding arbitration fee of \$175 from each participating party; 3) cap the subsidized fee from the CETF at not more than \$6,000 per voluntary binding arbitration; 4) cap the maximum subsidized fee for evaluative mediation at not more than \$3,000 per evaluative mediation; and 5) expand the parties and issues for evaluative mediation and voluntary binding arbitration pursuant to Act 196 (2018).

### **AOUO Registrations**

Specialist Stone reported that as of September 30, 2018, 1,576 AOUOs have successfully registered.

### **Condominium Seminars and Symposium**

Staff's evaluation of CAI Hawaii's August 9, 2018 seminar entitled "Why is your Maintenance Fee Increasing?" and its September 13, 2018 seminar entitled "Hoarders, Boarders, and Bookers" were distributed for informational purposes.

Chair Lee reported that she attended the August 9<sup>th</sup> seminar and noted that for the most part it was a good seminar, but suggested that CAI Hawaii review its speakers to ensure the content provided by the speaker is relative to the topic, as some information provided at the seminar was non-substantive.

Specialist Richelieu reported that after reviewing the CAI Hawaii contract which defines registrations as attendees, she confirmed that the Commission pays based upon actual attendees and very occasionally, a paid registrant who no shows but requests that the presentation's materials be mailed to them. She was also informed that the extra nametags represent individuals who attend, but fail to pick up

their nametags and individuals who register and pay, but do not show up most of which are property managers for which the Commission does not provide subsidies. Per the current contract, the Commission pays \$35 per attendee of a currently registered association up to 80 and \$40 per over 80 attendees. She was also assured that mailings are done at cost and that any leftover food which was based on registrations is donated.

**Case Law Review Program**

The following were distributed for informational purposes: Federal Home Loan Mortgage Corporation et al. v. SFR Investments Pool 1, LLC et al., Ninth Circuit, June 25, 2018; Godelock v. Sixty-01 Association of Apartment Owners, Ninth Circuit, July 10, 2018; Shiel v. Rowell & another, Massachusetts, July 16, 2018; and Sakal v. Association of Apartment Owners of Hawaiian Monarch et al., Hawaii ICA, July 26, 2018.

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the months of August and September 2018, was distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNIT	REPORT	DATE
7675	1001 QUEEN	1001 QUEEN HONOLULU HI 96814	123001001	471	B AMEND 3	9/14/2018
8207	1406 AND 1408A NEHOA STREET	1406 & 1408 NEHOA ST HONOLULU HI 96822	124026027	2	B REPT	9/11/2018
8221	1626 AND 1628 HANAI LOOP	1626 & 1628 HANAI LP HONOLULU HI 96817	116027035	2	B REPT	9/26/2018
8044	182 IKEA PLACE CONDOMINIUM	182 IKEA PL PUKALANI HI 96708	223028029	3	B REPT	9/26/2018
7539	383 KALAIMOKU - TOWER 2	2139 KUHIO AVE HONOLULU HI 96815	126018043	254	B AMD 2	9/27/2018
2737	4559 SIERRA DRIVE	4559 SIERRA DR HONOLULU HI 96816	133026048	2	SUPPL	9/20/2018
1791	546 ILIMANO STREET	546 ILIMANO ST KAILUA HI 96734	344030021	2	SUPPL	8/2/2018
8201	84-827 LAHAINA STREET	84-827 LAHAINA STREET WAIANAIE HI 96792	184015020	2	B REPT	9/11/2018
4986	CLEARLINE CONDOMINIUM PROJECT	LOT 4 OF SUBDIV LOT 70 & 71 N KOHALA HI 96719	355012011	2	SUPPL	9/24/2018
8202	E KOMO MAI CONDOMINIUM	4720 PELEHU RD KAPAA HI 96746	446016024	2	B REPT	9/27/2018
8180	EHILANI ESTATES CONDOMINIUM	391 EHILANI ST PUKALANI HI 96768	223047067	2	B REPT	8/1/2018
5923	HARRISON	82-5994 NAPOOPOO RD CAPTAIN COOK HI 96704	382003034	2	SUPPL	9/20/2018
7427	HAUULA HIDEAWAY	54-055 WAIKULAMA ST HAUULA HI 96717	154016018	8	B AMD 2	9/25/2018
8188	HILIHUA HALE	94-317/94-319/94-321 HILIHUA WAY WAIPAHU HI 96797	194009006	4	B REPT	9/19/2018
4607	HOEKSTRA OHANA	729 ALAE RD KULA HI 96790	222009002	3	SUPPL 2	8/7/2018
2663	HUALALAI HALE	LOT 5-C-3 KAKAIA 4TH N KONA HI 96740	373005104	2	SUPPL	8/6/2018
8174	JOSE E. FERNANDES COURT	315 IOLANI AVE HONOLULU HI 96813	121021043	3	B REPT	8/28/2018
8205	KA AO CIRCLE CONDOMINIUM	417 KAAO CIRCLE KAHULUI HI 96732	238032050	2	B REPT	9/28/2018
8147	KAHALA BY THE SEA	4607 KAHALA AVE HONOLULU HI 96816	135005016	6	B AMD	9/20/2018
4970	KALIHUWAI HUI	2889 KALIHUWAI RD KILAUEA HI 96754	452010022	2	SUPPL	9/25/2018
8222	KALULU CONDOMINIUM	43 AND 45 NANEVA AVE WAHIAWA HI 96786	174016013	2	B REPT	9/27/2018
8199	KAMANI AT KEHALANI (PHASE 10)	OMA'OMA'O STREET WAILUKU HI 96793	235001090	8	B REPT	8/1/2018
7688	KANAI LANI ESTATES	OLOHENA RD KAPAA HI 96746	443011025	2	B REPT	8/15/2018
8165	KAPIA GARDENS	0 HANA HWY HANA HI 96713	214011055	2	B REPT	8/31/2018
7890	KAPIOLANI RESIDENCE	1631 KAPIOLANI BLVD HONOLULU HI 96814	123041009	489	B AMD 2	9/20/2018
7461	KAUAI KAILANI	4-856 KUHIO HWY	443009050	59	B AMD 3	8/30/2018

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8106	KILOHANA MALUHIA CONDOMINIUM	KAPAA HI 96746 71 LAHAOLE PL	231007007	2	B REPT	8/8/2018
8182	LAWAI PLACE	KAHAKULOA HI 96793 LOT 15 AVE RD	425007015	2	B REPT	9/13/2018
8210	LOWER MANOA CONDO, RESIDENCE	LAWAI HI 96765 2451 MANOA RD & 2394 E MANOA	129010013	2	B REPT	9/17/2018
8156	MAKAI ESTATES	HONOLULU HI 96822 6089 LOKOMAII PL	444010039	2	B REPT	9/11/2018
7676	MAKALEA CONDOMINIUM	KAPAA HI 96746 MAKALEA ST	428031173	2	B AMD 2	9/21/2018
8218	MANAGO ESTATE	KOLOA HI 96756 59-668 & 59-668A KAMEHAMEHA	159011024	2	B REPT	9/20/2018
8175	MILLER CONDOMINIUM	HALEIWA HI 96712 6431 WAIPOULI RD	444003006	2	B REPT	9/5/2018
8178	MO'O FARMS CONDOMINIUM	KAPAA HI 96746 EHU RD	224013188	5	B REPT	8/10/2018
8206	MOTT SMITH VILLA	MAKAWAO HI 96768 1675 & 1675A MOTT SMITH DR	124029042	2	B REPT	9/4/2018
1819	N AND K GARDENS	HONOLULU HI 96822 94-1227/94-1229 LUMIKULA	194098043	2	SUPPL	9/27/2018
4663	NEKE CONDOMINIUM	WAIPAHU HI 96797 LOT 4 NAMAHANA FARMS SUBDIV	452024004	2	SUPPL 2	9/6/2018
5204	OMAO HAUNANI CONDOMINIUM	HANALEI HI 96714 LOT 50-A OMAO HOMESTEADS	427004003	2	SUPPL	8/20/2018
8190	PAILOLO PLACE	KOLOA HI 96756 5510 LOWER HONOAPIILANI HWY	242004048	43	B REPT	9/20/2018
4665	PAKAHAKAHA CONDOMINIUM	KAPALUA HI 96761 LOT3 NAMAHANA FARMS SUBDIV	452024003	5	SUPPL 2	9/21/2018
4668	PI'IO CONDOMINIUM	HANALEI HI 96714 LOT 8 NAMAHANA FARMS SUBDIV	452024008	4	SUPPL 2	9/27/2018
8220	POKAI BAY	HANALEI HI 96714 85-065 & 685-065A WAIANAE	185008010	2	B REPT	9/7/2018
4476	PU'U MAHANA	WAIANAE HI 96792 LOT H-23 KAAWALOA	381023024	2	SUPPL	8/6/2018
8198	SANDY PALMS CONDOMINIUM	S KONA HI 96740 133 PUA NIU WAY	247009072	2	B REPT	9/10/2018
8195	SEABRIDGE BY GENTRY IV	LAHAINA HI 96761 91-1159 KAMAKANA ST	191069023	66	B REPT	9/18/2018
8185	SECRETS BEACH ESTATES	EWA BEACH HI 96706 3620 KILAUJEA RD	452004069	3	B REPT	8/6/2018
6535	WAIKALUA BAYSIDE	KILAUJEA HI 96754 45-079 W WAIKALUA RD	145005029	20	B AMD 5	9/25/2018
5300	ZEFFIRO ESTATES	KANEOHE HI 96744 3152 UNAHE ST	436019050	2	SUPPL	8/8/2018
0	<b>Preliminary Reports</b>	LIHUE HI 96766				
0	<b>Contingent Final Reports</b>					
0	<b>Final Reports</b>					
14	<b>Supplementary Reports</b>					
26	<b>B Reports</b>					
8	<b>B Amendment Reports</b>					
48	<b>TOTAL REPORTS</b>					

### Consultant's Forum

Staff's written report of the August 31, 2018 condominium consultant's forum was distributed for informational purposes. Staff reported that they are following up on issues raised during the forum.

Commissioner Faulkner asked what is a "nested condominium."

Vice Chair Love responded that a nested condominium is a condominium within a condominium.

Staff responded that although it is more common in the mainland states per the condominium consultants, Hawaii does currently have 1 nested condominium in Maui.

### Case Law

The following was distributed for informational purposes: Friends of Crooked Creek v. C.C. Partners, North Carolina, July 18, 2017.

Program of Work:           **Education and Referral**

Staff provided educational outreach at the following: Big Island - September 8, 2018, Hawai'i Island REALTORS® 6<sup>th</sup> Annual Home Expo; and on Oahu at the Senior Expo, September 21-23, 2018. Specialist Richelieu reported that Condominium Education Specialist Sides had 43 interactions and 2 email subscription sign ups at the 6<sup>th</sup> Annual Home Expo in Hilo and staff had 531 contacts and 25 email subscription sign ups at the Oahu Senior Expo. Although the Specialists met with many more individuals on issues related to the department, the numbers reported are specifically those that made contact regarding condominium issues.

Specialist Sides reported that both were good events and noted that the Hawaii Island REALTORS were very appreciative of the presence of the Real Estate Branch at their event.

**Condominium Specialist Office of the Day – Kauai September 12, 2018**

The Specialist Office of the Day, along with the Neighbor Island Outreach committee meetings scheduled for September 12, 2018, were cancelled in an abundance of caution due to the impending storm Olivia approaching the State of Hawaii.

Condominium Organizations Forum:           No comments, recommendations or concerns were received.

CETF Budget & Finance Report:           Upon a motion by Commissioner Wada, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending June 30, 2018.

Next Meeting:                   November 14, 2018  
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, the Chair adjourned the meeting at 9:46 a.m.

Respectfully submitted:

/s/ Carole R. Richelieu

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Carole R. Richelieu  
Senior Condominium Specialist

October 11, 2018

\_\_\_\_\_  
Date

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