

Minutes



Standard Forms Committee Meeting
Thursday, October 20, 2016
HawaiiUSA Federal Credit Union Community Room

The Standard Forms Committee (“SFC”) meeting for the HAWAII ASSOCIATION OF REALTORS® was held on Thursday, October 20, 2016 at the HawaiiUSA Federal Credit Union Community Room. The meeting was called to order at 9:35 a.m. by Chair Kalama Kim.

CALL TO ORDER

Chair Kalama Kim; Vice Chair Eric Yama; Bridget Arrastia; Beth Daily; Diane Fujikami; Frank Goodale; Patti Ichida; Liz Moore; Lori Kaizawa; Joyce Murphy; Roy Sakamoto. Staff Liaison: Ethel Keyes. Guest: Nathan Aipa.

ATTENDEES

A motion was adopted to approve the minutes of September 8, 2016.

MINUTES

1. Chair Kalama Kim informed the committee that the Executive committee approved the following recommendations submitted by the SFC.
 - That the Dual Agency Consent Addendum form remain as a single form for dual agency consent. Also, that a separate new addendum to the Exclusive Right-to-Sell Listing Contract and/or Buyer’s Representation Contract be created to address possible agency conflicts prior to entering into a transaction.
NOTE: This new form will be worked on after the revisions to the PC have been completed.
 - Approved the revised Dual Agency Consent Addendum. (will be in the May 2017 release)
 - Approved removing the initial lines on the bottom of pages where both parties are signing on the same page. This would apply to all forms.
NOTE: This will affect RR101, RR202, RR203, RR221, RR401 and RR501. Changes will be effective in the May 2017 release.
2. Chair Kalama Kim informed the committee that Liz and Patti created a training video highlighting the revisions to the Exclusive Right-to-Sell Listing Contract. It will be available on November 1st.
3. Chair Kalama Kim informed the committee that next year all SFC meetings will be face to face.
4. Chair Kalama Kim informed the committee that representatives (Frank – Hawaii Island, Kalama – Oahu, Roy – Maui, Eric – Kauai) from the SFC will be giving a standard forms update at the HAR Roadshow on various islands next week.
5. Subcommittees’ Progress Reports
 - RR201 – Purchase Contract: Subcommittee is reviewing *section M*. *Draft will probably be presented to the SFC mid next year.*
 - RR110 – Short Sale Addendum to Exclusive Right-to-Sell Listing Contract: - changes are needed based on changes to the law
 - RR111 – Distressed Property Addendum to Exclusive Right-to-Sell Listing Contract - changes are needed based on changes to the law
 - RR222 – Distressed Property Addendum to Purchase Contract: changes are needed based on changes to the law
 - RR223 – Short Sale Addendum to Purchase Contract: changes are needed based on changes to the law
 - RR226 – Document Receipt – request to have 1st draft ready by February
 - NEW FORM – Rental Application Form – subcommittee completed first draft and will send to Ethel.

UPDATES

1. RR105c – Project Information Form – Condominium Co-op/PUD....
RR108 – Receipt of Project Information Form

Eric Yama reported that this form needs more input from the different industries. The issue is centered around questions on primary residences, investments properties and second homes. A round-table meeting was arranged and held on 9/28/16. In attendance were the Hawaii Association of Mortgage Brokers (HAMB) President, Mortgage Bankers Association of Hawaii (MBAH) President, GAC Chair, Peter Davis, Kalama Kim, Frank Goodale, Eric Yama, Myoung Oh and Ethel Keyes. The President of the Community Association Institutes (CAI) was not able to attend in person but was able to call in briefly towards the end of the meeting. There was good discussion but the issue is still unresolved since it needs to be discussed further with the CAI representatives. We are still waiting for confirmation on their next meeting which was tentatively set for November 15.

We will hold off finalizing the Receipt of Project Information form until the Project Information Form has been completed.

2. RR202 – Early Occupancy Contract

The SFC discussed and reviewed comments from membership. Further revisions were made.

A motion was adopted to refer this form back to the subcommittee and legal counsel to research and propose a solution that may be considered by making this a separate contract.

An amendment to the previously adopted motion was approved to refer this form back to the subcommittee to address the issues that were discussed at the meeting such as: the Seller's Real Property Disclosure law, alterations, insurance, possible separate contract and avoidance of Landlord Tenant Code.

3. RR401 – Independent Contractor Agreement for Real Estate Agents

The SFC discussed and reviewed comments from membership. Further revisions were made.

A motion was adopted to approve the revisions made to the RR401 – Independent Contractor Agreement for Real Estate Agents and to forward it to the Executive Committee for approval.

4. RR303 – Option Addendum

The SFC reviewed the subcommittee's first draft and made further revisions.

A motion was adopted to go back to the original language: "Should either party fail to execute Option Agreement by the specified date, the Purchase Contract shall not become effective."

A motion was adopted to refer this form back to the subcommittee to address all issues that came up at the meeting.

5. RR210 – Residential Leasehold Property Addendum

The SFC reviewed the subcommittee's first draft and made further revisions.

A motion was adopted to publish this form on the website for membership comments.

6. RR211 Receipt for Residential Leasehold Property Disclosure

The subcommittee submitted a draft which combined together the RR211- Receipt for Residential Leasehold Property Disclosure and RR212 – Action on Residential Leasehold Property Disclosure and proposed the name of the form be changed to: Receipt, Acceptance or Rejection of Residential Leasehold Property Disclosure.

A motion was adopted to recommend to the Executive Committee to eliminate the RR211 – Receipt for Residential Leasehold Property Disclosure and RR212 – Action on Residential Leasehold Property Disclosure from the HAR standard forms library. 9 in favor. 1 opposed.

7. Rental Agreement versus Late Occupancy

Bridget will research the subject of Rental Agreement versus Late Occupancy and share her findings with the SFC at the next meeting.

There being no further business, the meeting was adjourned at 3:30 p.m.

ADJOURNMENT

Ethel Keyes
Manager of Member Services