

Minutes



Standard Forms Committee Meeting
Wednesday July 19, 2017
HawaiiUSA FCU Community Room

The Standard Forms Committee ("SFC") meeting for the Hawaii Association of REALTORS® was held on Wednesday July 19, 2017 at the HawaiiUSA FCU Community Room. The meeting was called to order at 9:34 a.m. by Chair Eric Yama.

CALL TO ORDER

Chair Eric Yama; Vice Chair Arabel Cambor; Bridget Arrastia; Sharon Brown; Beth Daily; Patti Ichida; Lori Kaizawa; Kalama Kim; Joan Matsuoka; Liz Moore; Roy Sakamoto; Jeannie Wenger; Dusty Woodstock. Ex-Officio: John Harris; Mike Curtis. Staff: Ethel Keyes; Chatney Pacheco. Guests: Shimpei Oki.

ATTENDEES

The minutes of May 25, 2017 were accepted.

MINUTES

1. Eric Yama informed the SFC that in order to continue reviewing other forms aside from the Purchase Contract the first hour of each meeting will be spent on issues of concern/interest to the SFC as well as reviewing other draft forms. The remaining time will be spent discussing the PC draft.
2. Eric Yama reported that the Executive Committee approved the following recommendations submitted by the SFC:
 - Create an Amendment form (Lori Kaizawa will chair this subcommittee)
 - RR111- Distressed Property Addendum to the Exclusive Right to Sell Listing Contract
 - RR222- Distressed Property Addendum to Purchase Contract
 - RR301- Rental Agreement
 - RR303- Option Addendum
 - RR202- Early Occupancy Contract
 - New form RR308- Rental Application form

UPDATES

Eric Yama reported that the Executive Committee referred the RR226- Document Receipt and Approval back to the SFC to revise and provided some suggestions in the following areas:

- If keeping approval, be more descriptive about tying in to PC.
 - Consider removing approval.
 - Clarification on signature line (Buyer/Buyers Representative's Signature).
3. Mike Curtis and Arabel Cambor reported that the SFC's request to GAC regarding Landlord Tenant Code Exemption of Holdover Seller was discussed at a recent GAC meeting but GAC needs more time before deciding to move this issue forward for the upcoming Legislative Session. Arabel reported that she will be working with a taskforce within GAC to review this issue further.
 4. Eric Yama reported that it was brought to the SFC's attention by Roy Sakamoto and Jeannie Wenger regarding issues of posting videos and photos of a tenant occupied listing that occurred in New Mexico and also on Maui. The damages awarded to the tenant in New Mexico was substantial. Discussion was held.

A motion was adopted to recommend to the Executive Committee that the SFC create a Listing or Rental document which addresses the issue of getting consent for photos, videos, virtual tours and possibly open houses from tenants.

Rationale: Risk Management

1. RR201- Purchase Contract

Prior to discussion, PC Subcommittee Chair Kalama Kim recapped the purpose and the objective for the revisions of the Purchase Contract.

- Keep it updated in compliance with the law and best practices.
- Need to keep the form balanced for readability and effectiveness.

The committee began its review of the subcommittee’s draft.

A motion was adopted to eliminate current content of B-1 in draft and replace with content of D-1. D-2 becomes B-2 with the following change to the new B-2. Delete "initial earnest money deposit from Paragraph B-1 above". Add "initial earnest money deposit, paid into Escrow on or before _____." Replace the heading of Section B with the heading of Section D.

A motion was defeated that a new Section C will be created and called “Initial Earnest Money Deposit and Additional Deposit” with the same purpose of Section B in the current draft. The current section C: ADDENDA becomes Section D. 1 in favor. 11 opposed.

A motion was adopted that the SFC will come back to the issue of the organization of sections.

A motion was adopted that the SFC eliminates "[] Seller and Buyer understand and agree that furniture and furnishings included in the sale have no monetary value."

A motion was defeated that the SFC accept the current draft of F-3 as proposed with the following addition: "The extending party shall provide the reason for extension to the other party in the Notice For Extension." 4 in favor. 6 opposed.

A motion was adopted that the SFC remove the requirement that the reason for extension be out of the control of the party extending. 6 in favor. 5 opposed.

The SFC ended on F-3 (a).

2. Arabel Camblor mentioned that is was brought to her attention that when members leave comments on specific forms they do not receive replies. The SFC does review all comments that are received however currently replies are not sent. Moving forward, when a member leaves a comment they will receive a generic reply that their comment was received and will be reviewed by the SFC.

There being no further business, the meeting was adjourned at 3:38 p.m.

ADJOURNMENT

Chatney Pacheco
Administrative Assistant