

## **-Addenda**

### **Addenda are used to change the terms of an agreement.**

1. Any change in terms must be in writing and agreed to by both parties.
2. You may write up an Addendum for the Listing Agreement or the Purchase Agreement or a disclosure [e.g TDS, SPQ, etc.]
3. You may also write up an Addendum expanding on something in the Purchase Agreement that requires more space than is provided in the Agreement. For instance, you may write up an Addendum to explain what conveys with the sale in RPA Paragraph 8 and label it as Addendum #A. Remember to note in the RPA that Addendum #A is part of the Agreement.
4. You may be able to use the TOA [Text Overflow Addendum] feature.

#### **TOA [Text Overflow Addendum]**

Zip Forms does have the TOA [Text Overflow Addendum] feature for many of the transaction documents that is better than preparing a separate addendum to serve the same purpose.

Example:

1. RPA “Other Terms” Paragraph
2. List of items for the Request for Repairs. This can be easily accomplished in Zip Forms when you exceed the allowable characters, a TOA is automatically generated and is labeled according to the paragraph it expands.

#### **Labeling Addenda is extremely important to do correctly.**

1. **Addenda must be sequential [ #1, #2, #3, etc.]** especially when made a part of the Purchase Contract.
2. An Addendum to a document other than the Purchase Agreement may be labeled as an Addendum for that particular document [Addendum #TDS, Addendum #SPQ, etc.]
3. **Please do not label an Addendum by what it is doing:** Addendum #Credit, Addendum #Price Change, etc. Doing so makes it difficult to tie it to the Purchase Agreement and to make sure all Addenda to the Purchase Agreement are submitted to the Lender.

#### **Do not Use an Addendum in Place of a Counter Offer**

1. There is a proper way to “counter” the terms in an Offer to Purchase.
  1. Seller may “counter” with a SMCO [Seller Multiple Counter Offer] if “countering” more than one offer.
  2. Seller may “counter” with a SCO [Seller Counter Offer] if only “countering” only one offer.
  3. Buyer may “counter” the Seller’s SMCO or SCO with a BCO [Buyer Counter Offer].
2. Do not mark “Subject to” on RPA page 10 with an Addendum. It should always be “subject to” a SMCO or SCO.

3. Addenda should only be used to change the “terms” an an Agreement.
4. An Addendum still could be an attached part of a counter offer, but not in place of the counter itself.