



**AGREEMENT OF SALE ADDENDUM**  
**Hawaii Association of REALTORS® Standard Form**  
**Revised 8/09 For Release 11/09**



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Agreement of Sale Addendum is made a part of Purchase Contract:

Reference Date: \_\_\_\_\_

Property Reference or Address: \_\_\_\_\_

Tax Map Key: Div. \_\_\_\_\_ /Zone \_\_\_\_\_ /Sec. \_\_\_\_\_ /Plat \_\_\_\_\_ /Parcel \_\_\_\_\_ /CPR \_\_\_\_\_ (if applicable).

Buyer and Seller agree as follows:

SAMPLE

1. **The Agreement:** Seller and Buyer will enter into a recorded Agreement of Sale which shall be subject to the following Mortgages/Notes/debt instruments, copies of which shall be delivered by Seller to Buyer within \_\_\_\_\_ days after acceptance:
  - A. If Seller fails to provide full and complete copies of the Mortgages/Notes/debt instruments, within the required time Buyer shall have the right to terminate this Purchase Contract and the termination provisions of Paragraph C-28 shall apply.
  - B. Within \_\_\_\_\_ days after receipt and review of Mortgages/Notes/debt instruments provided, Buyer shall have the right to terminate this Purchase Contract and the termination provisions of Paragraph C-29 shall apply.

Seller shall act in good faith to obtain and deliver to Buyer written consent to the Agreement of Sale from Mortgagee(s) within \_\_\_\_\_ days after acceptance. If Seller fails to provide written consent within the required time, then Buyer shall have the right to terminate this Purchase Contract and the termination provisions of Paragraph C-30 shall apply.

2. **Credit Check and Information:** Seller requires the following information from Buyer within \_\_\_\_\_ days from acceptance of Purchase Contract.
  - [ ] Current Credit Report [ ] Tax return(s) for the prior: \_\_\_\_\_ year(s)
  - [ ] Current financial statement [ ] Other \_\_\_\_\_
  - [ ] Most recent bank statement
  - A. If Buyer fails to provide Seller the current Credit Report and/or other information within the time required, Seller shall have the right to terminate this Purchase Contract and the termination provisions of Paragraph C-28 shall apply.
  - B. Within \_\_\_\_\_ days after receipt and after review of all financial information provided, Seller shall have the right to terminate this Purchase Contract and the termination provisions of Paragraph C-29 shall apply.
  - C. In the event Purchase Contract is terminated, Seller agrees to promptly return all documents and copies provided under this paragraph to Buyer.

3. **Payment:**
  - A. Principal Amount. The Agreement of Sale principal balance is \$ \_\_\_\_\_ .
  - B. Interest. [ ] Annual Simple Interest will be \_\_\_\_\_ % percent, OR [ ] Other \_\_\_\_\_

C. Term of Agreement of Sale: Agreement of Sale must be paid off in full no later than \_\_\_\_\_

D. Payment Schedule:  
 [ ] Monthly [ ] Quarterly [ ] Semi Annually [ ] Annually [ ] Other \_\_\_\_\_

Estimated installment payments (based on current estimates; exact figures to be determined and adjusted at closing)

[ ] Interest only	\$ _____	[ ] Lease Rent	\$ _____
<b>OR</b>			
[ ] Principal and Interest	\$ _____	[ ] Buyer Collection Fees	\$ _____
[ ] Real Property Taxes	\$ _____	[ ] Other	\$ _____
[ ] Association/Maint. Fee	\$ _____	[ ] Other:	\$ _____
[ ] Assessments	\$ _____	<b>ESTIMATED TOTAL PAYMENT</b>	\$ _____

SAMPLE

**Buyer agrees to directly pay all other expenses relating to Property.**

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

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 Agreement of Sale Addendum  
 RR203 Rev. 8/09



E. Prepayment: Penalty  No  Yes (describe): \_\_\_\_\_

F. Late Payment and Fees: Any periodic payment not received within \_\_\_\_\_ days after its due date will be a "Late Payment". For each Late Payment, Buyer shall promptly pay Seller a late fee of \$ \_\_\_\_\_ or \_\_\_\_\_ % of periodic payment then due.

G. Payments collected shall be used first to pay mortgage payments owed on Property, then to payments referred to in Paragraph 3(D) and then subject to Paragraph 3(H) below. Any remaining balance paid to Seller.

H. The principal balance(s) under Seller's mortgage(s) shall not exceed the principal balance due under the Agreement of Sale. If Buyer makes a payment which reduces the principal balance under the Agreement of Sale, Seller is obligated to make any and all payment(s) to Seller's mortgagee(s) as may be necessary to reduce Seller's principal balance(s) for any and all of Seller's mortgage(s) in an amount equivalent to Buyer's reduction in principal balance under the Agreement of Sale, dollar for dollar. Buyer and Collection Agency shall have the right to contact Seller's mortgagee(s) to request and receive Seller's mortgage balance(s) and status. Seller hereby authorizes Seller's mortgagee(s) to release said mortgage balance(s) and status to Buyer and/or Collection Agency.

I. Adjustments in Expense Payments: If expense Payments under Paragraph 3(D) other than Principal and Interest shall increase or decrease, then the required Agreement of Sale payment shall also increase or decrease by a like dollar amount, and such increase or decrease shall be applied toward the same item which shall have so increased or decreased. Buyer shall be responsible for the payment of any assessments levied against Property after recordation.

**4. Buyer to Make Payments to:**

- Seller directly, with Seller to provide Buyer with annual accounting within 30 days of calendar year end; OR
- A collection agency (or other entity) \_\_\_\_\_

**COSTS FOR THE COLLECTION AGENCY OR OTHER ENTITY (IF APPLICABLE) WILL BE:**

- Shared equally between Buyer and Seller, OR
- (describe) \_\_\_\_\_

5. **Default:** Default means any Late Payment or other failure by Buyer to keep Buyer's promises made in the Agreement for Sale. For each default, Seller may exercise customary remedies, including but not limited to foreclosure, and cancellation of Agreement of Sale.

**6. Transferability:**

- Buyer shall not sell, assign, transfer, or encumber Property or Agreement of Sale or enter into a sub-agreement of sale, (Due on Sale) OR
- Buyer may sell, assign, transfer, or encumber Property or Agreement of Sale or enter into a sub-agreement of sale subject to Seller's written consent. Such consent shall not be unreasonably withheld, provided that Seller may condition Seller's consent on the credit worthiness and payment capacity of proposed Buyer and the Mortgagee's consent. Seller may not change any term of Agreement of Sale nor charge a fee for the consent. Buyer to pay reasonable costs of preparation and processing.

**7. Further Mortgages or Encumbrances:**

Seller may:

- Not further mortgage or encumber Property, OR
- Refinance mortgages specified in Paragraph 1 or further encumber Property, and Buyer shall subordinate thereto, except that the principal balance(s) under Seller's total mortgage(s) shall not exceed 85% of the then principal balance due under Agreement of Sale; nor shall the monthly payment(s) under the mortgage(s) exceed the monthly principal and interest payments payable by Buyer under Agreement of Sale. Thereafter, Seller's monthly payment under the mortgage(s) shall continue to be paid through the Collection account if specified in Paragraph 4.

**8. Personal Property:**

- Items of personal property as provided for in the Purchase Contract and/or Seller's inventory are included in the Agreement of Sale. OR
- Items of personal property are not included in the Agreement of Sale.

9. **Document Preparation:** The Agreement of Sale will be drafted by an attorney selected by  Buyer  Seller  Escrow  
Attorney's name: \_\_\_\_\_

10. **Insurance:** Prior to closing, Buyer shall obtain, and thereafter maintain for the duration of the Agreement of Sale, insurance coverage as follows (check those that apply):

- Fire and extended peril coverage (with inflation guard) in an amount at least equal to the full replacement costs of the insurable improvements on Property;
- Comprehensive public liability insurance as customarily provided in Hawaii for homeowners insurance;
- Hurricane Property Insurance Policy;
- Flood insurance, if Property is within the Flood Zone eligible for federally subsidized flood insurance.

Insurance Policies shall name Seller, any lessor, and/or other mortgagee(s) as additional insureds.

If Property is a condominium or cooperative apartment, these insurance requirements may be met in part by the master insurance policy for the condominium or cooperative.

11. **Alterations and Improvements:** Buyer may not make additions or major improvements to Property without Seller's written consent. Seller has the right to inspect plans and specifications and may condition Seller's consent on Buyer obtaining required building permits, consents of

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

Condominium Owner's and/or Homeowner's Association, lenders, or lessors, if any, plus evidence of Buyer's adequate financing and/or bonding to pay for the improvements.

12. **Satisfaction Escrow:** Prior to final satisfaction, an escrow shall be opened with escrow fees to be shared equally. Buyer shall pay for costs of title update and recordation of the satisfaction conveyance document. Seller shall pay for costs of drafting the satisfaction conveyance document.

13. **Special Terms:**

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**Professional Advice:** Buyer understands that in an Agreement of Sale, legal title to the property remains with the Seller and Buyer receives equitable title. Buyer is advised to consult with an Attorney regarding this addendum. Seller understands that an Agreement of Sale has serious legal, cash, credit and tax consequences including but not limited to FIRPTA and HARPTA withholding requirements. Seller has been advised to obtain advice from a qualified Attorney, Certified Public Accountant and other experts prior to entering into an Agreement of Sale. Seller agrees that Seller has not relied on Brokerage Firm for any such information nor has Brokerage firm provided any such advice.

Buyer and Seller acknowledge that they have read, understand and agree to the terms and conditions of this AGREEMENT OF SALE ADDENDUM.

SAMPLE

BUYER \_\_\_\_\_ DATE \_\_\_\_\_

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

BUYER \_\_\_\_\_ DATE \_\_\_\_\_

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

**NOTE:** THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

SAMPLE

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

SAMPLE