



Addendum vs. Amendment

Legal Tools September 2022



Addendum vs. Amendment Definition

Addendum: Items including an “*addition,*” “*attachment,*” and/or “*supplement*”

Amendment: Items including a “*change,*” “*modification,*” and/or “*revision*”

Source: [Thesaurus.com](https://www.thesaurus.com)

Why was the Amendment Created?

- Historically most forms to be signed by sellers and buyers were called an addendum (other than the purchase agreement)
 - Including: Extension of Time Addendum, Back-up Offer Addendum, Additional Signature Addendum, Short Sale Addendum, and the Addendum
- **Problem:** After a **binding contract**, when a principal signed an addendum, the other party did not always sign immediately or at all. The party who signed the addendum could not be sure if the new terms were being agreed to or not, and that created uncertainty.

Why was the Amendment Created?

- The Amendment of Existing Agreement Terms (C.A.R. Form AEA) was created to minimize uncertainty



This is a proposal to amend ("Amendment") the terms and conditions of the Purchase Agreement, OR Residential Lease or Month-to-Month Rental Agreement, Other _____ ("Agreement"), which was already mutually executed by the Parties, dated _____, on property known as _____ (Property), in which _____ is referred to as "Buyer/Tenant" and _____ is referred to as "Seller/Landlord". Buyer and Seller are referred to as the "Parties."

1. _____

2. **EXPIRATION:** Buyer/Tenant, Seller/Landlord proposes this Amendment Of Existing Agreement Terms (i) which may be withdrawn by the Party initiating this proposed Amendment at any time prior to acceptance, and (ii) shall be deemed revoked unless by 5:00 PM on the third Day after it is Signed by the initiating Party (or by _____ AM _____ PM on _____ date) this proposed Amendment is Signed by the other Party and a Copy of this Amendment is Delivered to the initiating Party.
 Buyer/Tenant, Seller/Landlord _____ Date _____
 Buyer/Tenant, Seller/Landlord _____ Date _____
3. **ACCEPTANCE:** The foregoing terms and conditions amending the existing Agreement are hereby accepted, and the undersigned agrees to the above terms and conditions and acknowledges receipt of a Copy of this Amendment Of Existing Agreement Terms. Upon Acceptance, this Amendment shall be deemed incorporated into the Agreement.
 Buyer/Tenant, Seller/Landlord _____ Date _____
 Buyer/Tenant, Seller/Landlord _____ Date _____

AMENDMENT NOT ACCEPTED: _____ / _____. This amendment was NOT accepted by Buyer/Tenant/Seller/Landlord on _____ (date).
Buyer/Tenant/Seller/Landlord Initials _____

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AEA REVISED 12/21 (PAGE 1 OF 1)

Form AEA

- The first line in the form identifies the AEA as a proposal, whose terms are specified in paragraph 1.

This is a proposal to amend ("Amendment") the terms and conditions of the Purchase Agreement, OR Residential Lease or Month-to-Month Rental Agreement, Other _____ ("Agreement"), which was already mutually executed by the Parties, dated _____, on property known as _____ (Property), in which _____ is referred to as "Buyer/Tenant" and _____ is referred to as "Seller/Landlord". Buyer and Seller are referred to as the "Parties."

1.

Form AEA

- Paragraph 2 provides the proposal (like an offer or counter offer) expires automatically unless accepted by the other party in the specified time, **defaulting to 3 days** after it is signed.
- If receiving party takes no action, the proposal terminates and the terms of the contract remain unchanged.
- No more uncertainty!

2. EXPIRATION: Buyer/Tenant, Seller/Landlord proposes this Amendment Of Existing Agreement Terms **(i)** which may be withdrawn by the Party initiating this proposed Amendment at any time prior to acceptance, and **(ii)** shall be deemed revoked unless by 5:00 PM on the third Day after it is Signed by the initiating Party (or by _____ AM PM on _____ date) this proposed Amendment is Signed by the other Party and a Copy of this Amendment is Delivered to the initiating Party.

Buyer/Tenant, Seller/Landlord _____ Date _____

Buyer/Tenant, Seller/Landlord _____ Date _____

3. ACCEPTANCE: The foregoing terms and conditions amending the existing Agreement are hereby accepted, and the undersigned agrees to the above terms and conditions and acknowledges receipt of a Copy of this Amendment Of Existing Agreement Terms. Upon Acceptance, this Amendment shall be deemed incorporated into the Agreement.


Buyer/Tenant, Seller/Landlord _____ Date _____

Buyer/Tenant, Seller/Landlord _____ Date _____

AMENDMENT NOT ACCEPTED: _____/_____. This amendment was NOT accepted by Buyer/Tenant/Seller/Landlord on _____ (date).
Buyer/Tenant/Seller/Landlord Initials

When to use ADM vs AEA

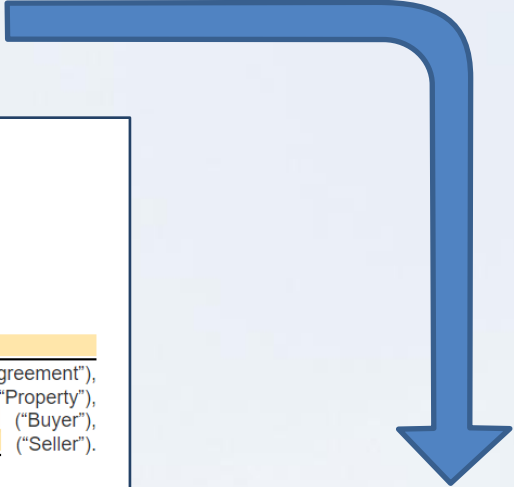
- An addendum is generally intended to be attached to an offer or other document as a supplement.
- Availability of Text Overflow Addendum in zipForm® means there is less need to attach a general addendum to supplement a document.


	CALIFORNIA ASSOCIATION OF REALTORS®	TEXT OVERFLOW ADDENDUM No. <u>1</u> (C.A.R. Form TOA, Revised 6/16)
This addendum is given in connection with the property known as <u>72635 Tehama St, Los Angeles, CA</u>		
_____ (“Property”),		
in which <u>Bobby Buyer</u>	is referred to as (“Buyer”)	
and <u>Sam Seller, Salley Seller</u>	is referred to as (“Seller”).	

Examples

Request for Repairs (C.A.R. Form RR)

- The RR is issued after an offer has been accepted, typically during the buyer's investigation period.
- In December 2021, expiration language was added to the RR so that if the seller does not respond in time the RR expires.



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REQUEST FOR REPAIR No. _____
(C.A.R. Form RR, Revised 6/22)

Date Prepared: _____

In accordance with the terms and conditions of the Purchase Agreement, OR Other _____

_____ ("Agreement"),
dated _____, on property known as _____ ("Property"),
between _____ ("Buyer"),
and _____ ("Seller").

Buyer and Seller are referred to as the "Parties".


1. **BUYER REQUEST** (Check all that apply): (Note: Seller has no obligation to respond to Buyer request.)

5. **EXPIRATION:** Buyer proposes this Request for Repairs (RR) which shall be deemed revoked:
- Unless by 5:00 PM on the third Day after it is signed by Buyer (or by _____ AM/ PM on _____ date) the proposed RR is signed by Seller and a Copy of this RR is Delivered to Buyer.
 - If Buyer withdraws this Request for Repair any time prior to Seller's acceptance by communicating withdrawal to Seller or Seller's Agent.

Examples

Extension of Time Addendum (C.A.R. Form ETA)

- The ETA has preprinted language to extend escrow or give a buyer more time to remove contingencies. Since it is an addendum, it has no expiration.
- The ETA is often issued after buyer and seller have verbally agreed to the stated terms and a quick response is commonplace.
- But if the recipient does not sign quickly, the sender should consider withdrawing it in writing and making a proposal on the AEA.
- In December of 2022, the ETA is scheduled to become an amendment with an expiration date, just like the AEA.

 CALIFORNIA ASSOCIATION OF REALTORS®

EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)

The following terms and conditions are hereby incorporated in and made a part of the: California Residential Purchase Agreement, Manufactured Home Purchase Agreement, Probate Purchase Agreement, Residential Income Property Purchase Agreement, Vacant Land Purchase Agreement, Commercial Property Purchase Agreement, Business Purchase Agreement, other _____ ("Agreement"), dated _____, on property known as _____ ("Property"), in which _____ is referred to as ("Buyer") and _____ is referred to as ("Seller").

1. EXTENSION OF ESCROW: The scheduled Close Of Escrow is extended to _____ (Date).

2. EXTENSION OF CONTINGENCY(IES): The following contingency(ies), if checked, is/are extended to _____ (Date) Buyer Investigation of Property Condition Loan Other _____.

3. OTHER EXTENSION(S): The time for _____ is/are extended to _____ (Date).

4. ADDITIONAL TERMS: _____

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer _____ Date _____

Buyer _____ Date _____

Seller _____ Date _____


Seller _____ Date _____

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ETA REVISED 4/06 (PAGE 1 OF 1) **EXTENSION OF TIME ADDENDUM (ETA PAGE 1 OF 1)**

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Additional Resources

Quick Guide - [Addendum vs. Amendment What's The Difference](#)