

### **Informational Brief: Coronavirus (COVID-19) Amendment/Addendum**

The Standard Forms Committee for Hawai'i REALTORS® has created a form for our members to use during this time of crisis in Hawai'i. The Hawai'i REALTORS® Board of Directors held a special meeting on March 27, 2020 to approve its release. The Coronavirus (COVID-19) Amendment/Addendum can be used as an amendment for transactions that have already started as well as an addendum for any transactions starting during this time.

In the form, the coronavirus pandemic is referenced as the potential cause for numerous potential issues that can delay closing, or make it impossible to close. Because of those issues, the form has three options:

- 1) Extend the Scheduled Closing Date to a later date than what was originally agreed upon in the Purchase Contract. If these issues continue beyond the newly agreed upon date, then the Purchase Contract may be terminated by Buyer or Seller pursuant to O-3 of the Purchase Contract.
- 2) If either Buyer or Seller is unable to timely complete an obligation under the Purchase Contract, then the Buyer or Seller may terminate the Purchase Contract pursuant to O-3 of the Purchase Contract.
- 3) Terminate the Purchase Contract pursuant to O-3 of the Purchase Contract.

Since these three options cannot cover every possibility, there is space to fill in a different option.

The form also discusses what will happen in the hopefully unlikely event that the Bureau of Conveyances closes and is unable to record the transaction. Since the Purchase Contract defines "closing" as the date that the conveyance documents are recorded, it was necessary to come up with a solution for the event that the documents cannot be recorded in a timely manner.

Like any contract, there are significant legal consequences to signing this form. It is recommended that your client consult an attorney before signing any contract.

At the bottom of the form, there is a signature block for the reviewing Principal Broker or Broker-in-Charge. Like the Purchase Contract, it is up to company policy on whether or not it should be signed, but this Amendment/Addendum has significant consequences to any transaction.

If you have any questions about this form, please contact your broker. If you are Principal Broker or Broker-in-Charge, you are welcome to contact the Legal Kokua Line at (808) 733-7060.