

ALTERNATIVE DISPUTE RESOLUTION ADDENDUM (AN ALTERNATIVE TO LITIGATION)

For use only by members of the Indiana Association of REALTORS®

1 This Addendum is attached to and made a part of the Purchase Agreement dated _____, on property
2 known as _____, _____, Indiana, Zip _____ (the "Property").
3

4 Buyer and Seller agree that in the event either party defaults in the performance of the obligations of such party under the Purchase
5 Agreement, or in the event there is a dispute between Buyer and Seller with respect to their obligations arising out of the purchase
6 and sale of the Property, that does not exceed the total sum of \$3,500 U.S. Dollars, the dispute shall be submitted to binding arbitration.
7 All amounts referred to in this Addendum are in U.S. Dollars.
8

9 **The following terms and conditions apply:**
10

- 11 **A.** If Buyer breaches the Purchase Agreement, and the total amount in controversy is greater than \$3,500, Seller shall be entitled
12 to file suit in a court to recover, in addition to any remedies available under the Purchase Agreement, all reasonable costs and
13 expenses, including attorney fees, incurred by Seller.
14
- 15 **B.** If Seller breaches the Purchase Agreement, and the total amount in controversy is greater than \$3,500, Buyer shall be entitled
16 to file suit in a court to recover, in addition to any remedies available under the Purchase Agreement, (including specific
17 performance), all reasonable costs and expenses, including attorney fees, incurred by Buyer.
18
- 19 **C.** The administrator shall be the Better Business Bureau® ("BBB"). If the BBB is not able to conduct arbitration because it does
20 not operate in a county where the Property is located, but another BBB is able to do so, then that BBB shall be the
21 administrator, unless the parties agree in writing otherwise.
22
- 23 **D.** If a party believes in good faith that the total amount in controversy exceeds \$3,500, then that party shall give the arbitrator
24 and the non-objecting party written notice and supporting documentation of such objection within the time limits imposed by
25 the arbitrator. The arbitrator will determine whether the total amount in controversy is within \$3,500; however, such
26 determination is not binding upon the parties. If a party desires to contest the arbitrator's determination as to the total amount
27 in controversy, the parties may file a declaratory judgment action in a court within fifteen (15) days of the date the arbitrator
28 notifies the parties in writing of such determination. If an action is not timely filed, the parties shall waive their right to contest
29 the arbitrator's determination.
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- 31 **E.** If it is determined that the total amount in controversy exceeds \$3,500, either party may withdraw from arbitration. However,
32 both parties may voluntarily consent in writing to arbitration.
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- 34 **F.** A party begins the process of arbitration by giving to the other party and the BBB a notice to start arbitration by briefly stating
35 the party's claim, the grounds for it and the total amount in controversy.
36
- 37 **G.** Because this Addendum contains an agreement for binding arbitration as to matters within \$3,500, no party may reject
38 arbitration for failure to agree on the issues or for failure to sign an agreement with the BBB.
39
- 40 **H.** If a party seeks an award for: (1) loss of wages; (2) damages for personal injury or mental anguish, or both; (3) consequential
41 damages; or (4) any other element of damages; that party shall give to the other party and to the BBB written notice thereof.
42 The notice shall state the amount claimed for each item for which an award is sought. An award cannot exceed the total
43 amount sought by a party.
44
- 45 **I.** The BBB shall conduct arbitration according to its rules, but subject to Indiana law, if the Property is located in Indiana. If any
46 conflict arises between the rules of the BBB and any applicable legislation, the applicable legislation will control.
47
- 48 **J.** The purpose of arbitration is to resolve disputes within the \$3,500 jurisdictional limit and to provide for enforcement of the
49 award by a court, if necessary, by its entering judgment on the award as authorized by applicable legislation.
50
- 51 **K.** The parties shall share equally the cost of the arbitration process as determined under the rules of the BBB. If by reason of
52 membership in the BBB a party is not responsible for such cost, the other party shall pay its own share of such cost.
53
- 54 **L.** In the arbitration process, the arbitrator shall neither award attorney fees nor allocate between the parties any other costs or
55 expenses incurred by a party in the arbitration process. Each party is responsible for its own attorney fees, costs and expenses.

(Property Address)

56 **M. All other terms and conditions of the Purchase Agreement to which this Addendum is attached remain unchanged.**

57

58 This Addendum shall survive closing.

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60 By signature below, the parties have executed this Addendum on the date first written above, have agreed to binding arbitration and
61 acknowledge receipt of a signed copy of this Addendum.

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65 BUYER'S SIGNATURE

DATE

BUYER'S SIGNATURE

DATE

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69 PRINTED

PRINTED

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73 SELLER'S SIGNATURE

DATE

SELLER'S SIGNATURE

DATE

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77 PRINTED

PRINTED



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(Property Address)