



ADDENDUM TO CONTRACT OF SALE – SHORT SALE



This addendum is hereby attached to and made part of the Contract of Sale by and between:

Seller(s): _____

Buyer(s): _____

Property Address: _____

TMS# _____

1. This Addendum will be a supplement to and a part of the above referenced Contract of Sale. To the extent the terms of this Addendum modify or conflict with any provisions of the Contract of Sale, including all prior addenda, these terms will control. All terms of the Contract not modified by this Addendum will remain the same. The terms of this Addendum will survive closing.
2. **BUYER** (Initials _____ | _____) Date _____ **SELLER** (Initials _____ | _____) Date _____ Buyer and Seller acknowledge that:
 - A. The Seller is attempting a Short Sale because the Seller has debts secured by one or more liens on his Property and the purchase price may not be enough to cover payment for all the liens and costs of sale. The Seller will receive no cash from the transaction. Any funds actually due to the Seller will be paid to the lien holders.
 - B. Because the transaction involves a Short Sale, the Offer set forth in the Contract of Sale is contingent on Third Party approval. The name of the Third Party, as identified by Seller, is _____.
 - C. If or when this Offer is accepted by the Third Party, they may generate an Acceptance Addendum requiring terms, conditions and deadlines that may differ from those in the original Offer as set forth in the Contract of Sale, in which case the terms of the Acceptance Addendum will supersede those of the Contract of Sale and associated addenda. The Acceptance Addendum may also change the commission to be paid by the Seller. Buyer or Seller, at either Party's sole discretion, may cancel the Contract of Sale if Third Party terms and conditions for completing the sale are not acceptable. If cancellation of the Contract of Sale occurs as a result of these circumstances, Buyer will be entitled to return of all earnest money (see Paragraph 6D of the Contract of Sale).
 - D. Up until such time as the Buyer receives and executes the Third Party Acceptance Addendum or receives written notification of Third Party acceptance of the Buyer's Offer, the Buyer may withdraw the Offer, regardless of the closing date set forth in Paragraph 7 of the Contract of Sale, and all earnest money will be returned to the Buyer (see Paragraph 6D of the Contract of Sale.)
 - E. Buyer and Seller agree that should the Third Party not approve the Offer, the Offer will then become null and void and all earnest money will be returned to the Buyer (see Paragraph 6D of the Contract of Sale).
 - F. Deadlines set forth in the Contract of Sale for inspections, loan application, and due diligence period do not begin until the Buyer executes an Acceptance Addendum or is notified in writing of Third Party approval.
 - G. Buyer and Seller understand that if, and only if, the Third Party requires the Property to be sold "as-is", then Paragraph 13B of the Contract of Sale will become the controlling inspection paragraph.

3. **Time is of the essence.** Seller will submit to the Third Party a copy of the Contract of Sale, including this and other addenda, and any other documentation required by the Third Party for approval of this sale upon request.
4. **SELLER** (Initials _____ | _____) Date _____ Seller gives consent to the Third Party to provide approval status updates to Broker(s), Buyer's Attorney, the Closing Attorney, and the Buyer upon request.
5. Buyer acknowledges that the Property may continue to be marketed by the Seller until such time as the Third Party accepts the Offer.
6. Buyer is advised that the Short Sale process may result in delays in the closing which could affect the Buyer's ability to obtain financing or to maintain Buyer's interest rate lock. Buyer is strongly advised to consult with legal counsel about this Addendum and its legal affect.
7. Until closing of the Short Sale, acceptance of the terms of the Short Sale by the Third Party will not prevent, hinder or delay the Third Party from initiating or proceeding with any enforcement action, including but not limited to a foreclosure. In the event Seller loses ownership of the Property through foreclosure, the Contract of Sale will be terminated and all earnest money will be released to Buyer (See Paragraph 6D of Contract of Sale).
8. **The Parties agree that neither the real estate agents nor their brokers have given any financial, tax, legal, or similar advice relating to or resulting from the Seller's participation in this Short Sale transaction. Seller acknowledges that it is their responsibility to investigate alternative methods of resolution of existing liens without participation in a Short Sale. Seller understands and agrees that Seller is solely responsible for consulting appropriate legal, financial and tax advice as to any potential economic and legal consequences for the Seller and guarantors participating in this Short Sale.**

9. OTHER TERMS:

Buyer's Signature	(L.S.)	Buyer's Printed or Typed Name	Date
Buyer's Signature	(L.S.)	Buyer's Printed or Typed Name	Date
Seller's Signature	(L.S.)	Seller's Printed or Typed Name	Date
Seller's Signature	(L.S.)	Seller's Printed or Typed Name	Date

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