SAFAssist
SHORT SALE AND FORECLOSURE ASSISTANCE

SAF*ASSIST* SHORT SALE ADDENDUM TO OFFER TO PURCHASE AND CONTRACT

NOTE: **The Back-Up Contract Addendum (form 2A1-T) should NOT be used in conjunction with this form when more than one contract of sale is being signed by Seller, as this form manages multiple contracts when necessary**

Property: _____

Seller: _____

Buyer: _____

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Seller and Buyer for the Property.

1. **Short Sale Defined**: For purposes of this Contract, a "Short Sale" is a sale where:
   (a) the Purchase Price is or may be insufficient to enable Seller to pay the costs of sale, which include but are not limited to the Seller's closing costs and payment in full of all loans or debts secured by deeds of trust on the Property due and owing to one or more lender(s) and/or other lienholders ("Lienholders");
   (b) Seller does not or may not have sufficient liquid assets to pay the costs of sale; and,
   (c) the Lienholders agree to release or discharge their liens upon payment of an amount less than the amount secured by their liens with or without the Seller being released from any further liability.

2. **Short Sale Approval Risks: Buyer and Seller understand and agree that**:
   - No Lienholder is required or obligated to approve a Short Sale.
   - Lienholders may require some terms of the Contract be amended in exchange for approval of a Short Sale, including acceleration of the Due Diligence Period and Settlement Date.
   - Buyer and Seller are not obligated to agree to any of Lienholders' proposed terms.
   - Seller is not financially able to make any repairs to the Property that Buyer may request. The Seller's inability to make repairs shall not affect any rights that Buyer may have to terminate the Contract.
   - The costs of Due Diligence and any Due Diligence Fee usually are not refundable to Buyer in the event the Short Sale is not approved.
   - Lienholders' approval may take 45 to 120 days to obtain, and neither the Seller nor any real estate agent representing Seller or Buyer can guarantee the timeliness of Lienholders' review, approval or rejection.
   - NEITHER THE BUYER, THE SELLER, THE CLOSING ATTORNEY NOR THE BROKERS IN THIS TRANSACTION HAVE ANY CONTROL OVER LIENHOLDERS' APPROVAL, OR ANY ACT, OMISSION OR DECISION BY ANY LIENHOLDERS IN THE SHORT SALE PROCESS.

3. **Contingency:** This Contract is contingent upon Seller obtaining approval for a Short Sale from Lienholders effective through Closing upon terms which are acceptable to Seller and which will enable Seller to close and convey title in accordance with the Contract ("Short Sale Approval").

4. **Notice of Seller's Acceptance of Lienholders' Approval and Parties' Right to Terminate:** Seller agrees to promptly provide Buyer with written notice of Seller's acceptance of Lienholders' approval ("Notice of Approval of Short Sale"). Until Notice of Approval of Short Sale, either party may terminate the Contract by written notice to the other party and the Earnest Money Deposit shall be refunded to Buyer.

REALTOR®

Buyer initials _____ _____ Seller initials _____ _____

EQUAL HOUSING OPPORTUNITY

Market Title Company, LLC
SAF*Assist* Program
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5. **Due Diligence/Settlement Date**:

(a) Buyer and Seller agree that the Due Diligence Period of this Contract shall extend through 5:00 p.m. on the fifteenth (15th) day (or the __ day, if this blank is completed) following Seller's delivery to Buyer of Notice of Approval of Short Sale, ***TIME BEING OF THE ESSENCE***.

(b) Buyer acknowledges that it could be of substantial benefit to Buyer to conduct any and all Due Diligence soon after the Effective Date. Doing so enables Buyer to inform Seller of defects or other matters that may affect Lienholder approval, allows Buyer to determine that the Property is suitable and that Buyer can obtain financing, and allows the parties to avoid unnecessary delays.

(c) Buyer and Seller agree that the Settlement Date of this Contract shall be on the thirtieth (30th) day (or the _____day, if this blank is completed) following Seller's delivery to Buyer of Notice of Approval of Short Sale.

NOTE: Instead of inserting dates in the "Due Diligence Period" and "Settlement Date" blanks in the Contract, insert "See attached Short Sale Addendum".

6. **Other Offers/Additional Contracts:**

(a) Rules of the NC Real Estate Commission require offers from other buyers received by the Seller's Agent to be presented to the Seller. The NC Real Estate Commission also requires the Seller's Agent to inform Lienholders of all offers and contracts of sale on the Property received after a request for a Short Sale has been submitted to any Lienholder.

(b) Seller hereby represents to Buyer that there ☐ is ☐ is not an existing contract of sale on the Property ("Existing Sales Contract")

(c) Offers from other buyers may be accepted by the Seller and become sales contracts ("Additional Sales Contract"). Seller or Lienholders may, prior to the Notice of Approval of Short Sale, elect to substitute any Existing or Additional Sales Contract for approval by Lienholders and withdraw this Contract or any Existing or Additional Sales Contract from consideration by Lienholders.

(d) Unless this Contract has been terminated, Seller shall promptly notify Buyer in writing of the occurrence of any of the following events:

(i) Seller's acceptance of any Additional Sales Contract; or

(ii) Seller's or Lienholders' substitution of any Existing or Additional Sales Contract for this Contract for Lienholder approval; or

(iii) Short Sale Approval of any Additional Sales Contract; or

(iv) Seller's closing on any Existing or Additional Sales Contract.

(e) If not sooner terminated by Buyer or Seller hereunder, this Contract shall become null and void upon the completion of closing of any Existing or Additional Sales Contract whether or not Seller notifies Buyer of any such closing, and any Earnest Money Deposit shall be refunded to Buyer.

7. **Foreclosure:** Seller represents that to the best of Seller's knowledge, a foreclosure proceeding ☐ has not ☐ has been filed with
❑ ❑
respect to the Property. Further, if during the Short Sale process a foreclosure proceeding is filed, the Seller shall disclose such foreclosure filing to the Buyer. Buyer and Seller understand that if Closing does not occur before the completion of a foreclosure of the Property, Seller will lose all rights and interest in the Property. In such event, the Contract shall be void, and the Earnest Money Deposit shall be refunded to Buyer.

8. **Bankruptcy**: Seller represents that Seller ☐ is ☐ is not under bankruptcy protection under United States law. If Seller files a bankruptcy proceeding, Seller shall promptly disclose such filing in writing to Buyer.

9. **Tax Consequences and Advice:** Seller is advised to seek advice from an attorney, a certified public accountant or other professional regarding the credit, legal and tax consequences of a Short Sale.

10. **SAF*Assist* Program Mandatory Requirements for Buyer.** Buyer understands that Seller is participating in the Coldwell Banker Howard Perry and Walston SAF*Assist* Program, which is intended to assure more reliable approval and successful closing of the Short Sale. In order to accomplish those outcomes, Buyer agrees to do the following in accordance with the mandatory requirements of the SAF*Assist* Program in order to purchase the Property:

A. Prior to Seller accepting any offer to purchase the Property, Buyer shall apply for and obtain a "Preferred Buyer" pre- approval letter from TowneBank Mortgage. This will require submission of some employment and income information, which will remain confidential by the lender. This level of pre-approval is required by most Lienholders and is done to assure the Lienholders of Buyer being financially able to purchase the Property. Buyer shall have submitted to Seller the TowneBank Preferred Buyer pre-approval letter no later than at the time of the delivery of an executed Offer to Purchase and Contract including this Addendum. Additionally, in order to obtain approval of the Short Sale, Buyer shall provide (i) "proof of funds", such as a bank letter or genuine account statement demonstrating that Buyer possesses all cash funds necessary to complete

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Buyer initials _____ _____ Seller initials _____ _____

the purchase as proposed; and (ii) a Buyer's Affidavit of Arm's Length Transaction and Buyer's Agent Affidavit of Arm's Length Transaction and Buyer's Agent Affidavit of Arm's Length Transaction in form suitable to the Lienholders. Depending upon the Lienholders, additional or different forms may be requested from Buyer to obtain short sale approval.

B. The Property is sold "as is". Seller shall make no repairs. Buyer may conduct Due Diligence inspections of the Property as provided under the terms of the Contract. Provided, however, in the event the utility services at the Property are not operating, it shall be the responsibility of Buyer to obtain and pay for any utility services that Buyer desires to have operating. Further Buyer shall assure, prior to initiating any water service to the Property, that the "master" water shut-off valve in the residence on the Property has been closed and that upon opening that valve for any inspection, careful observation is conducted to determine if any water pipes are broken or leaking and to shut such valve, if necessary, to avoid any flooding of the residence. Following any inspections in which the "master" shut-off valve has been opened, Buyer shall assure that such valve is closed. Further, in the event the residence on the Property has been "winterized", then Buyer shall be responsible for any "de-winterizing" that may be necessary for inspections and shall "re-winterize" the residence upon request by Seller.

C. Buyer shall be represented by AW Morris Law, 5000 Falls of Neuse Rd Ste 400, Raleigh, NC 27609- 919-783-8945 as Closing Attorney in the Settlement and Closing of the sale of the Property. Such representation of Buyer by Attorneys shall commence no earlier than the Notice of Approval of Short Sale and Attorneys shall represent only Seller until such time. Buyer and Buyer's Agent shall not undertake to communicate substantively with Attorneys about the transaction prior to such time, as the work of Attorneys for Seller with Lienholders is confidential to Seller. Unless otherwise agreed, Attorneys will charge to Buyer their standard, competitive fees and costs for such representation as in typical residential closings. This arrangement for representation of Buyer is required to assure full coordination of the Settlement and Closing with the Lienholders and adherence to all requirements of the Lienholders' approval. If Buyer has any questions about such representation and the terms thereof, Buyer should contact Attorneys prior to entering into the Offer to Purchase and Contract for information. Buyer understands and agrees that the Seller has been and will be represented by said Attorneys in the negotiation and completion of the Short Sale and Attorneys will additionally represent Seller for the purpose of preparing necessary documents for Seller for the Settlement and Closing.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

Buyer:	
Buyer:	
Buyer:	
Seller:	
Seller:	
Seller:	

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