

VACATION RENTAL ADDENDUM

"Seller": _____
"Buyer": _____
"Property": _____

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. **Existing Vacation Rentals:** The Property is subject to the following vacation rental agreements as defined by North Carolina's Vacation Rental Act (Chapter 42A of the North Carolina General Statutes). Reservations made with an online vendor, including but not limited to reservations made with VRBO or AirBNB, must be disclosed and may be subject to the Vacation Rental Act: _____

2. **Information to be Provided by Seller:** Seller will provide Buyer with copies of the vacation rental agreements identified above within seven days of the Effective Date of the Contract. Seller will provide Buyer with each tenant's name and contact information if not identified in the vacation rental agreement itself. Buyer agrees to keep confidential any information received from Seller pursuant to this paragraph, and Buyer agrees not to disclose such information to anyone except their agent and their attorney without Seller's prior written consent, but such consent shall not be unreasonably withheld. If the Contract is terminated for any reason, Buyer agrees to return or destroy any information provided by Seller pursuant to this paragraph.

3. **Distribution of Deposits and Rents.** Under N.C.G.S. § 42A-18, all funds collected from a tenant and not identified in the vacation rental agreement as occupancy or sales taxes, fees, or rent payments shall be considered a tenant security deposit. If a tenancy will be terminated due to Seller's sale of the Property, then Buyer understands they will not receive any rent, deposits, or other funds for such terminated tenancies.

For any tenancy not terminated due to Seller's sale of the Property, Seller agrees that: (a) any tenant security deposits that are subject to accounting after Closing will be paid to Buyer or Buyer's agent pursuant to N.C.G.S. § 42-54; and (b) any rents will be pro-rated as of the date of Settlement pursuant to the Contract unless Buyer and Seller provide otherwise here: _____

_____.

4. **Additional Vacation Rentals:** Check only ONE of the following options:

- ☐ Seller may enter into additional vacation rental agreements after the Effective Date of this Contract, provided that such agreements shall be on similar terms as the Property is currently rented. This authorization shall not constitute Buyer's agreement to honor any such agreements that end more than 180 days after Closing. Seller shall disclose to Buyer any information concerning additional agreements in accordance with the applicable provision of paragraph 2 above.
- ☐ Seller may enter into additional vacation rental agreements after the Effective Date of this Contract, provided that such agreements shall end no later than the Settlement Date of this Contract.
- ☐ Seller may not enter into additional vacation rental agreements after the Effective Date of this Contract.

5. **Rental Manager Information:** If the Property is being managed for Seller, the name, address, and telephone number of the rental manager is as follows: _____

_____, ("Rental Manager"). Buyer and Seller agree that Buyer will have the option of retaining another property management firm other than Rental Manager. If Buyer does not sign a property management agreement with Rental Manager prior to the end of the Due Diligence Period, Buyer ☐ will ☐ will not pay to Seller at Closing a credit to cover all the costs of incurred by Seller due to the early termination of the management agreement with Rental Manager, up to a maximum amount of \$_____. Seller must provide a written statement from Rental Manager to Buyer prior to Settlement to support any credit paid pursuant to this paragraph.



6. Vacation Rental Act Disclosure and Terms: Buyer understands that upon Closing, they may be taking possession of the Property subject to any vacation rental agreement that ends no later than 180 days after Closing. Any vacation rental agreements that end more than 180 days post-Closing may be unenforceable unless Buyer agrees to honor them in writing, subject to the tenant being reimbursed. No later than twenty days after Closing, the Buyer shall (i) notify each tenant in writing of the property transfer, the Buyer's name and address, and the date the Buyer's interest was recorded; (ii) advise each tenant whether he or she has the right to occupy the property subject to the terms of the vacation rental agreement and the Vacation Rental Act; and (iii) advise each tenant of whether he or she has the right to receive a refund of any payments made by tenant.

If Buyer engages as Buyer's broker and rental agent for the Property the broker who procured the tenant's vacation rental agreement for Seller, Buyer shall have no obligation under (i), (ii), and (iii) within this paragraph with regard to those tenants whose vacation rental agreements must be honored under the Vacation Rental Act or with regard to those tenants whose vacation rental agreements Buyer has agreed in writing to honor.

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.

NC REALTORS® AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: (Name) _____ (Signature) _____ (Date) _____

Buyer: (Name) _____ (Signature) _____ (Date) _____

Entity Buyer: (Name of LLC, Corp., Trust, etc.) _____

By: (Name & Title) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Seller: (Name) _____ (Signature) _____ (Date) _____

Entity Seller: (Name of LLC, Corp., Trust, etc.) _____

By: (Name & Title) _____ (Signature) _____ (Date) _____