

SHORT SALE ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated _____, 20____
between _____ ("Buyer")
and _____ ("Seller")
concerning _____ ("the Property")

- 1. SHORT SALE.** A "Short Sale" is a sale that does not produce sufficient funds to cover the existing monetary encumbrances against the Property, closing costs, real estate commissions, and other financial requirements of closing ("Seller Costs"). Buyer and Seller acknowledge that the purchase price is insufficient to cover Seller Costs and that this Agreement constitutes a "Short Sale."
- 2. SHORT SALE CONTINGENCY.** This Agreement is contingent upon Seller obtaining written consent from Seller's creditor(s) for the Short Sale and Seller's acceptance of any conditions imposed by Seller's creditor(s) ("Lender Consent"). Seller shall have _____ days (30 days, if not filled in) after mutual acceptance to obtain Lender Consent. If Seller timely delivers a copy of the Lender Consent to Buyer, then this contingency shall be deemed satisfied. If Seller fails to timely deliver the Lender Consent to Buyer, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. Buyer and Seller acknowledge that Seller has limited control over whether Seller's creditor(s) will consent to the sale and when such consent is given.
- 3. OFFERS FROM OTHER BUYERS.** Seller may; may not (may, if not filled in) accept offers from other buyers to purchase the Property to submit to Seller's creditor(s). If the parties agree that Seller may accept offers from other buyers, Buyer acknowledges that this Agreement does not have any priority over agreements with or offers from other buyers. Seller has limited control over which agreement Seller's creditor(s) may approve, and Seller may keep the Property on the market and continue to show it to other buyers.
- 4. TERMINATION BY BUYER.** Buyer may; may not (may, if not filled in) terminate this Agreement at any time prior to the delivery of Lender Consent. If Buyer terminates this Agreement, the Earnest Money shall be refunded to Buyer.
- 5. COMPUTATION OF TIME.** For the purposes of computing time only (except for paragraph 2 above), mutual acceptance shall be deemed to be on the date of delivery of the Lender Consent to Buyer.
- 6. IMPLICATIONS OF A SHORT SALE.** The parties acknowledge that this Addendum does not fully explain all of the implications of a Short Sale. The parties are advised to seek the advice of third party professionals regarding this Agreement and the consequences of this Addendum.

Initials: BUYER: _____ DATE: _____ SELLER: _____ DATE: _____
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____