

Short Sale Addendum to Agreement of Sale

This Short Sale Addendum to Agreement of Sale is made by and between

_____ (“Seller”)

And _____ (“Buyer”)

For the Property known as: _____ (Property”)

1. ACKNOWLEDGMENT OF SHORT SALE. The Purchase Price in the Agreement of Sale is insufficient to satisfy all debts and obligations secured by liens on the Property as well as to pay brokers’ fees and other necessary and customary costs of the sale, (collectively “Liens”). The Seller’s ability to convey good and marketable title per the terms of the Agreement of Sale is subject to obtaining releases on all liens and encumbrances. Because third parties will be asked to approve a lien payoff that is less than or “short of” the amount actually owed, this proposed transaction is referred to as a “Short Sale.”

2. THIRD PARTY APPROVAL OF SHORT SALE. Buyer and Seller acknowledge that the Agreement of Sale is contingent upon the Seller obtaining written approval of the terms and conditions of the transaction by each third party that is asked to accept a reduced amount, (collectively “Approving Creditors”). No later than five (5) days after the acceptance date of the Agreement of Sale, Seller shall submit the Agreement of Sale and any additional documentation required, to Approving Creditors for review and approval. Sellers will attempt to obtain the consent of the Approving Creditors to approve the release of such liens for encumbrances in exchange for a payment that is less than or “short” of the amount actually owed to such Approving Creditors, in order to convey title to the property. Seller shall reasonably cooperate with Approving Creditors and promptly provide any supplemental information, papers, and/or material that may be requested, and shall bear solely any expense for submitting authorizations or documents required by the Approving Creditors. Seller shall provide Buyer with a copy of any Approving Creditors’ consent within 3 days of receipt.

3. THIRD PARTY MODIFICATIONS. Buyer and Seller acknowledge that the Approving Creditors may elect to request modifications to the terms of the Agreement of Sale or refuse to approve the sale. If Approving Creditors request modifications to the Agreement, Seller shall, no later than three (3) days after Seller’s receipt of the request, deliver a written notice of the requested modification to Buyer. The modifications shall not be binding upon Buyer or Seller without their mutual written consent.

4. FAILURE TO OBTAIN THIRD PARTY APPROVAL. If Seller is unable to obtain the necessary written approval of all Approving Creditors on or before _____, 20____ or Buyer and Seller have not reached agreement on any modifications as provided in Paragraph 3 of this Addendum, the Agreement of Sale shall be deemed null and void and of no further force and effect and all deposits shall be returned to the Buyer in accordance with the terms of the Agreement of Sale.

5. CREDIT, LEGAL AND TAX ADVICE. Seller is hereby notified that a short sale may have credit, legal or tax consequences. **Seller is advised to seek advice from an attorney, certified public accountant or other expert regarding the potential consequences of a short sale.** Broker cannot give credit, legal, or tax advice, and has no control over whether Approving Creditors consent to a Short Sale. Broker is not responsible for any act, omission, or decision by any Approving Creditors.

6. GENERAL PROVISIONS. In the event of any conflict between the terms of this Addendum and the terms of the Agreement of Sale, the terms of this Addendum shall govern. Except as set forth in this Addendum, all other terms and provisions of the Agreement of Sale and any other addenda, modifications or amendments thereto shall remain in full force and effect.

WITNESS _____ BUYER _____ Date _____

WITNESS _____ BUYER _____ Date _____

WITNESS _____ SELLER _____ Date _____

WITNESS _____ SELLER _____ Date _____