



SHORT SALE ADDENDUM

ADDENDUM # _____ dated _____ to Contract of Sale dated _____ ,
between Buyer _____
and Seller _____
for Property known as _____ .

- 1. **ACKNOWLEDGMENT OF SHORT SALE.** The Purchase Price in the Contract is insufficient to satisfy all debts and obligations secured by liens on the Property as well as to pay brokers' fees and other customary and necessary costs of the sale. Seller's ability to convey good and merchantable title under the Deed and Title paragraph of the Contract 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 CONTINGENCY.** The Contract is contingent upon Seller's receipt of written approval of the Contract by Third Parties, including, but not limited to institutional lenders, mortgage insurers, bankruptcy trustees, federal, state and local tax authorities, and/or private parties. No later than five (5) days after the Date of Contract Acceptance, Seller shall submit the Contract to the Third Parties, together with any additional documentation required by the Third Parties, for review and approval.
- 3. **THIRD PARTY MODIFICATIONS.** Buyer and Seller acknowledge that the Third Parties may elect to request modifications to the terms of the Contract as a condition of approval of the sale. If a Third Party requests modifications to the Contract, 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 within _____ days after Contract Acceptance, Seller has not received Third Party approval as provided in Paragraph 2 of this Addendum or Buyer and Seller have not reached agreement as provided in Paragraph 3 of this Addendum, the Contract shall be deemed null and void and of no further force and effect. In such event, the Deposit shall be disbursed in accordance with Deposit paragraph of the Contract.
- 5. **NOTICE OF DISAPPROVAL.** If Seller receives written notice of disapproval of the Contract from Third Parties, Seller shall deliver a copy of the written notice of disapproval to the Buyer and the Contract shall be deemed null and void and of no further legal force and effect. In such event, the Deposit shall be disbursed in accordance with the Deposit paragraph of the Contract.
- 6. **OFFERS AFTER CONTRACT ACCEPTANCE.** Buyer is hereby notified that Seller may have the right to continue to market the Property after the Date of Contract Acceptance pursuant to a written agreement between Seller and the listing broker, and Seller may be required by a Third Party to present subsequent offers received by Seller to the Third Party.
- 7. **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.**
- 8. **TIMEFRAMES FOR INSPECTIONS, APPRAISAL AND FINANCING CONTINGENCIES.** Notwithstanding any provision of the Contract:
 - a. Timeframes for all inspections provided in the Contract shall be measured from:
 Date of Contract Acceptance; OR Date Seller delivers evidence of Third Party Approval to Buyer
 - b. Timeframe for Appraisal Contingency, if any, shall be measured from:
 Date of Contract Acceptance; OR Date Seller delivers evidence of Third Party Approval to Buyer
 - c. Timeframe for Financing Contingency, if any, shall be measured from:
 Date of Contract Acceptance; OR Date Seller delivers evidence of Third Party Approval to Buyer

All other terms and conditions of the Contract of Sale remain in full force and effect.

Buyer Signature **Date** **Seller Signature** **Date**

Buyer Signature **Date** **Seller Signature** **Date**

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