



# Short Sale ADDENDUM TO REAL ESTATE PURCHASE CONTRACT



**THIS IS AN**  **ADDENDUM**  **COUNTEROFFER** to that REAL ESTATE PURCHASE CONTRACT (the "REPC") with an Offer Reference Date of \_\_\_\_\_ including all prior addenda and counteroffers, between \_\_\_\_\_ as Buyer, and \_\_\_\_\_ as Seller, regarding the Property located at \_\_\_\_\_ (the "Property"). The terms of this Addendum are hereby incorporated as part of the REPC, and to the extent the terms of this Addendum modify or conflict with any provisions of the REPC, including all prior addenda and counteroffers, these terms shall control.

**SHORT SALE ADDENDUM**

**1. ACKNOWLEDGMENT OF SHORT SALE.** Seller represents to Buyer that the agreed upon Purchase Price for the Property is less than the amount(s) owed to individuals/entities ("Third Parties") that have an interest in the Property. For purposes of this Addendum, the Third Parties may include, without limitation; institutional lenders, mortgage insurers, bankruptcy trustees, federal, state and local tax authorities, and private parties. The Third Parties will be identified on the Commitment for Title Insurance referenced in Section 7 of the REPC. Since the Third Parties will be asked to approve a lien payoff that is less or "short" of the amount actually owed, this proposed transaction is referred to as a "Short Sale".

**2. THIRD PARTY APPROVAL OF THE SHORT SALE.** Buyer and Seller acknowledge that a Short Sale requires the written approval of the REPC by the Third Parties. No later than four (4) days after Acceptance of the REPC by Buyer and Seller (as defined in Section 23 of the REPC) Seller shall submit to the Third Parties the REPC (the "Proposed REPC"), together with any additional documentation required by the Third Parties, for review and approval. Buyer and Seller acknowledge that the Third Parties may, in their sole discretion, elect to request modifications to the terms of the Proposed REPC, or reject the Proposed REPC.

**3. NO BINDING CONTRACT.** BECAUSE THE PROPOSED REPC REPRESENTS A SHORT SALE, BUYER AND SELLER ACKNOWLEDGE AND AGREE THERE IS NO BINDING CONTRACT FOR THE PURCHASE AND SALE OF THE PROPERTY, AND NO EARNEST MONEY IS REQUIRED, UNTIL BUYER, SELLER AND THE THIRD PARTIES REACH A WRITTEN AGREEMENT WITH EACH OTHER AS PROVIDED IN SECTION 4.

**4. THIRD PARTY CONDITIONS.** If one or more of the Third Parties requests modifications to the Proposed REPC ("Third Party Conditions") Seller shall, no later than four (4) days after Seller's receipt of the Third Party Conditions, provide a counter offer to Buyer that includes the Third Party Conditions that modify Buyer's obligations under the REPC. The Third Party Conditions shall not be binding upon Buyer or Seller without their mutual written consent, which consent may be withheld by Buyer and/or Seller in their respective sole discretion. If by the Approval Deadline referenced in Section 5 below, Buyer, Seller and the Third Parties reach a written agreement, and Buyer has not previously cancelled the Proposed REPC as referenced in Section 7 below, then Buyer and Seller shall be deemed to have entered into a binding contract with each other for the purchase and sale of the Property, with the Third Parties approval of the Short Sale.

**5. FAILURE TO OBTAIN THIRD PARTY APPROVAL.** If by the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Approval Deadline") Buyer, Seller and the Third Parties have not reached a written agreement as provided in Section 4 above, then the Proposed REPC shall automatically be deemed cancelled and any Earnest Money shall be returned to Buyer.

**6. SELLER'S RIGHT TO ACCEPT ADDITIONAL OFFERS.** Buyer agrees that at any time prior to Buyer, Seller and the Third Parties reaching a written agreement as provided in Section 4 above, Seller may: (a) continue to market the Property and advertise it through the MLS as available for sale; (b) accept additional offers for purchase of the Property; and (c) at Seller's option, forward any such additional offers to the Third Parties for review and approval.

**7. BUYER'S RIGHT TO CANCEL PROPOSED REPC.** In consideration of the rights reserved by Seller under Section 6 above, Seller agrees that at any time prior to Buyer, Seller and the Third Parties reaching a written agreement as provided in Section 4 above, Buyer may cancel the Proposed REPC for any reason, or for no reason, by providing written notice to Seller; whereupon any Earnest Money shall be returned to Buyer.

**8. CONTRACT DEADLINES.** Contract Deadlines in Section 24 of the REPC may be modified in the event Buyer, Seller and the Third Parties reach a written agreement.

**ALL OTHER TERMS** of the REPC, including all prior addenda and counteroffers, not modified by this ADDENDUM/COUNTEROFFER shall remain the same.  **Seller**  **Buyer** shall have until \_\_\_\_\_  **AM**  **PM** Mountain Time \_\_\_\_\_ to accept the terms of this ADDENDUM/COUNTEROFFER in accordance with the provisions of Section 23 of the REPC. Unless so accepted, the offer as set forth in the ADDENDUM/COUNTEROFFER shall lapse.

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Buyer  Seller Signature (Date) (Time)  Buyer  Seller Signature (Date) (Time)

**ACCEPTANCE/COUNTEROFFER/REJECTION**

**CHECK ONE:**

**ACCEPTANCE:** of ADDENDUM/COUNTEROFFER  **Seller**  **Buyer** hereby accepts the terms of this ADDENDUM/COUNTEROFFER.

**COUNTEROFFER:**  **Seller**  **Buyer** presents as a counteroffer the terms of attached Counteroffer No. \_\_\_\_\_

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Buyer  Seller Signature (Date) (Time)  Buyer  Seller Signature (Date) (Time)

**REJECTION:**  **Seller**  **Buyer** rejects the foregoing ADDENDUM/COUNTEROFFER. [ ] Initials

Date \_\_\_\_\_, \_\_\_\_\_ Time \_\_\_\_\_