



SHORT SALE ADDENDUM

The following is part of the Purchase and Sale Agreement with Reference Date _____ (the "Agreement"), between _____ ("Buyer") and _____ ("Seller") regarding the sale of the property located at _____ (the "Property").

- 1. Lender Consent.** The parties acknowledge that this is a distressed-property, or short sale, transaction because the purchase price is unlikely to be sufficient to pay off the monetary encumbrances recorded against title at Closing. Therefore, this Agreement is contingent upon written consent from Seller's creditors having a security interest in the Property to sell it ("Lender Consent") to Buyer on the terms and conditions set forth in this Agreement, and Seller's acceptance of any conditions imposed by such creditors. Seller shall have _____ days (60 days, if not filled in) after mutual acceptance to obtain Lender Consent and, if Seller accepts any conditions imposed by Seller's creditors, deliver such written consent to Buyer. If Seller gives timely notice of Lender Consent, then this contingency shall be deemed satisfied. If, however, Seller does not give timely notice of Lender Consent, then Buyer may terminate this Agreement and the Earnest Money shall be returned to Buyer.
- 2. Failure by Creditors to Consent.** Seller may terminate this Agreement at any time prior to giving notice of Lender Consent by delivering notice of termination to Buyer and directing the party holding Buyer's Earnest Money to return it to Buyer.
- 3. Right to Terminate.** Buyer may may not (may, if not filled in) terminate this Agreement at any time prior to notice of Lender Consent. If Buyer timely exercises this right of termination, the Earnest Money shall be refunded to Buyer.
- 4. Computation of Time.** All timelines in this Agreement, unless otherwise indicated in this Addendum, shall begin not on the date of mutual acceptance but on the date that Seller delivers written Lender Consent to Buyer.
- 5. Implications of Short Sale.** The parties acknowledge this Addendum does not address or explain many aspects of a short sale. The parties also acknowledge having been advised to seek the advice of an attorney and other experts before entering into the Agreement.
- 6. Other.** _____

INITIALS: Buyer _____ Date _____ Seller _____ Date _____
Buyer _____ Date _____ Seller _____ Date _____