

**SHORT SALE ADDENDUM
To the Agreement of Sale**

This is an Addendum to the Agreement of Sale dated _____ by and between _____ ("Seller[s]") and _____ ("Buyer[s]") for the property located at _____ ("Property"). The terms herein supersedes the provisions in the Standard Agreement of Sale.

1. **SHORT SALE APPROVAL:** This Agreement is contingent upon Seller's receipt of written consent from all existing secured lenders and lien holders ("**Short-Sale Lenders**" or "**SSL**"), no later than 90 days ("**Short-Sale Contingency Date**"), to reduce their respective loan balances by an amount sufficient to permit the proceeds from the sale of the Property to pay the existing balances on loans secured by the Property, real property taxes, brokerage commissions, closing costs, and other monetary obligations the Agreement requires Seller to pay at Settlement (including, but not limited to, escrow charges, title charges, transfer taxes, pro-rations, and repairs) without requiring Seller to place any funds into escrow, with lender/s' waiver of any rights to a deficiency. If Seller fails to give Buyer written notice of all existing Short-Sale Lenders' consent by the Short-Sale Contingency Date, either Seller or Buyer may cancel the Agreement in writing, and Buyer shall be entitled to a return of any deposit. Seller shall reasonably cooperate with existing Short-Sale Lenders in the short-sale process and is aware that there may be credit or tax consequences resulting from an approved Short-sale. Seller understands that no cash proceeds will be received by Seller from this sale unless, and only to the extent, allowed by Seller's lender/s.
2. **TIME PERIODS:** Time periods in the Agreement for contingencies, covenants and other obligations shall begin the day after Seller delivers to Buyer a written notice of Short-Sale Lenders' consent with the exception of inspection contingencies, which must be completed in fifteen (15) days.
3. **NO ASSURANCE:** Buyer and Seller understand that Short-Sale Lenders (i) are not obligated to accept a short-sale; (ii) may modify dates and time periods specified in the Agreement; and (iii) may accept offers not of the Seller's choosing. Buyer & Seller acknowledge that Broker is not responsible for any act, omission, or decision by any Short-Sale Lender.
4. **BUYER AND SELLER COSTS:** Buyer and Seller acknowledge that each may incur costs in connection with rights or obligations under the Agreement. These costs may include, but are not limited to, payments for loan applications, inspections, appraisals, and other reports. Such costs will be the sole responsibility of the party incurring them without regard to the acceptance or rejection of the proposed Short-Sale by the Lender.
5. **INSPECTION REPAIRS:** Buyer understands that Property is being sold in its current ("**AS-IS**") condition; and any repair required (including government-required repairs), if any, shall be the responsibility of Buyer. **Buyer shall be responsible for ordering any required Use and Occupancy inspection. Buyer, at Buyer's expense, shall arrange to empty the sewer system (if applicable) and arrange for all utilities to be turned on to conduct its inspection, and to restore the same to its previous condition.**
6. **OTHER OFFERS:** If Buyer's offer is accepted by Seller, Seller may -- on its own, or as required by Short-Sale Lender -- continue to market the Property despite acceptance of Buyer's offer, and hold other offers received as "back up" offers in the event Buyer decides to terminate the Agreement.
7. **CREDIT, LEGAL AND TAX ADVICE:** Broker has advised Buyer and Seller to consult with legal and tax counsel prior to signing this Addendum relating to a Short-Sale. Broker cannot give legal or tax advice.

By signing below Buyer and Seller acknowledge that each has read, understand, accept and received a copy of this Addendum.

Seller	Date	Seller	Date
Buyer	Date	Buyer	Date

NOTIFICATION TO BUYER OF A POTENTIAL SHORT SALE

PROPERTY: _____

BUYER/S: _____

DATE: _____

1. The Property may be subject to a Short Sale.
2. A Short Sale is a transaction in which the seller's proceeds are less than the amount necessary to pay off liens secured by the property. Examples of such liens include, but are not limited to, mortgages, home equity lines of credit, tax claims, homeowners' association/condominium fees, and legal judgments.
3. A Short Sale may require the approval of one or more third parties, unlike a traditional transaction, which only requires the approval of the buyer and seller. In a Short Sale, after the buyer and seller have agreed on the terms of the Agreement of Sale, the seller may need to request the approval of the lender(s) or other lien holder(s) ("Creditor(s)").
4. In a potential Short Sale, Creditors can take an extended period to respond to a Short Sale request. In some cases, Creditors do not respond at all. Delays in Creditor approval can make it difficult to set a specific settlement date. Also, if request for Short Sale approval is denied, such denial is frequently verbal and not in written form.
5. Creditors do not have an obligation to approve the terms of Buyer's offer to the seller. Creditors may add conditions or restrictions in accepting the offer. Common examples may include refusing to pay Buyer's closing costs or refusing to allow the seller to pay for repairs requested by Buyer. A buyer and seller are under no obligation to accept these conditions or restrictions from Creditors, although failure to accept them may result in termination of the Agreement.
6. Buyer should consider making Buyer's offer contingent upon approval by Creditors and should retain the right to terminate at a specified time in the Short Sale process. Buyer is advised that a seller may elect to consider additional offers from other buyers until Creditor approval is obtained.

Buyer is advised to seek professional legal and financial advice before making a Short Sale offer.

WITNESS: _____ BUYER/S: _____ DATE: _____

WITNESS: _____ BUYER/S: _____ DATE: _____

COOPERATING BROKER COMPENSATION LETTER
(NOT TO BE USED AS ADDENDUM TO AGREEMENT OF SALE)

Any change in the cooperating broker compensation identified below must be agreed upon prior the submission of any terms or written offers to purchase the Property.

PROPERTY

BUYER _____

SELLER _____

Listing Broker (Company Name): _____

Selling Broker (Company Name): _____ is the
() Buyer Agent () Transaction Licensee working with Buyer () Subagent for Seller

Listing Broker's offer of compensation is modified, and Listing Broker agrees to pay to Selling Broker **50% of commission approved by Seller's lender** (in this **Short Sale Transaction**).

LISTING BROKER (Company Name) _____
ACCEPTED BY

_____ **DATE** _____

SELLING BROKER (Company Name) _____
ACCEPTED BY

_____ **DATE** _____