

SHORT SALE ADDENDUM

The following provisions are made part of the Residential Real Estate Contract (hereinafter "Contract"), by and between _____ (Seller) and _____ (Buyer) concerning the real estate commonly known as _____.

1. **Approval of Seller's Lender:** This contract is contingent upon: (a) the Seller's lender(s) and/or other lien holder(s) (collectively "Lender") approval of the purchase price, the terms of the Contract and the RESPA /HUD-1 Settlement Statement, (b) the Lender's agreement to accept a payoff which is less than the balance due on the loan or other indebtedness without requiring the Seller to pay any money whatsoever at the time of closing other than the net proceeds of the closing, (c) the Lender's release and satisfaction of the mortgage(s) and/or other liens upon receipt of discounted payoff amount(s), and (d) the Lender's release of the Seller(s) from any personal liability for any remaining deficiency in respect of the loan or other indebtedness upon receipt of the discounted payoff. Seller shall submit all documents necessary for Lender approval within ten (10) business days from the date hereof. If Seller does not deliver written notice to Buyer that Lender has approved the purchase price and Contract terms within _____ days from the date hereof ("Approval Deadline"), either party may thereafter cancel the Contract by delivering written notice to the other, in which case the earnest money, if any, shall be returned to the Buyer upon delivery to Escrowee of written direction of the parties or their respective attorney or upon entry of an order by a court of competent jurisdiction.

2. **Buyer and Seller Closing Costs:** Seller and Buyer agree that Seller shall not be obligated to pay any money whatsoever at closing other than the usual and customary expenses set forth in the RESPA /HUD-1 Settlement Statement and approved by Lender as part of the short sale. If the Lender's approval shifts to the Buyer closing costs and expenses usually and customarily paid by the Seller pursuant to the Contract, the Buyer shall have the right to cancel the Contract, in which case neither party shall have any further obligation thereunder, and all earnest money, if any, shall be returned to the Buyer upon delivery to Escrowee of written direction of the parties or their respective attorney or upon entry of an order by a court of competent jurisdiction.

3. **Changes by the Lender at Closing:** If the Lender for any reason alters or revokes their approval or materially modifies same at closing, Seller shall have the right to cancel the Contract. If the alteration or modification at closing shifts to the Buyer closing costs and expenses which are usually and customarily paid by the Seller under the Contract, Buyer shall have the right to cancel the Contract, in which case the earnest money, if any, shall be returned to the Buyer upon delivery to Escrowee of written direction of the parties or their respective attorney or upon entry of an order by a court of competent jurisdiction.

4. **Time Periods:** *[Choose One]*

- All time periods under the Contract shall commence from the date Seller delivers written notice to Buyer that the Contract and short sale has been approved by the Lender.
- All time periods under the Contract shall commence from the Acceptance Date of the Contract.

5. **Acknowledgement by Seller:** Buyer acknowledges that the Lender is not a party to the Contract. Therefore, Seller's Lender is not obligated to approve the Contract or the short sale. Buyer further

acknowledges that Seller is not liable for delay caused by Lender or for costs and expenses incurred by Buyer under the Contract or under the terms of Buyer's financing commitment or any other basis, if Lender does not complete the short sale even if such failure to complete occurs after Lender has previously approved the transaction.

The parties hereby consent and agree to amend and modify the Contract as hereinabove described. All other terms and conditions of the Contract are and shall remain in full force and effect

DATED this _____ day of _____ 2009.

Buyer

Seller

Buyer

Seller