Addendum to Contract for Residential Sale and Purchase

If signed by all parties, this Addendum will be incorporated into the Contract for Residential Sale and Purchase between ____ ("Seller") and ____ ("Buyer") regarding the Property described as ____

(____) (____) - (____) (____)

AA. Short Sale Approval: This Contract depends on the Seller obtaining approval from the Seller's lender(s) and any other lien holders ("Lender"). "Short Sale Approval" means the Lender: (i) agrees to the terms of this Contract and the settlement statement; (ii) accepts a reduced payoff and provides satisfaction(s) or releases for the mortgage(s) and any other liens on the Property ("Mortgage(s)"); and (iii) releases Seller from liability for any deficiency on the Mortgage(s) not covered by the payoff. Seller must provide Buyer with a copy of the Short Sale Approval within ___ days (if left blank, 120 days; if left blank, Approval Deadline is 45 days) after the Effective Date.

If the Lender's approval does not include items (i) through (iii) above, or includes additional obligations for the Seller, the Seller may—but is not required to—accept the offer. If accepted, it will still be considered Short Sale Approval, and the Seller must provide the Buyer with a copy.

1. (Check if applicable) ☐ The Seller's Lender has already set the listing price and approved this Property for short sale.

2. **Short Sale Application & Buyer Cooperation:** Seller will apply to Lender within ___ days (if left blank, 10 days) after the Effective Date ("Short Sale Application Date"), unless already completed. Buyer agrees to reasonably cooperate with the Lender throughout the process.

3. **Timeframes:** All Contract deadlines will start the day after Seller provides Buyer with the Short Sale Approval, except for the Approval Deadline, Short Sale Application Date, Closing Date, and Financing Period. If checked, the following deadlines will still follow the Contract timeline: ☐ Initial Deposit ☐ Buyer's inspections ☐ Other: _________________________

---

4. **Other Offers / Backup Contracts:** If required by the Lender, Seller may accept additional offers and forward them to the Lender. (Check one)Seller ☐may ☐may not enter into back-up contracts. (If no box is checked, Seller may accept back-up contracts.)

5. **Lender Delays & Extensions:** Seller and Buyer agree to extend the Closing Date up to ___ days (if left blank, 15 days) if the Lender needs more time. If Seller cannot provide Short Sale Approval by the Approval Deadline, either party may cancel the Contract by written notice, and Buyer will receive a full refund of deposits, releasing both parties from further obligations. If the Lender fails to complete the short sale, or the sale does not close by the Closing Date (through no fault of Buyer), Buyer's deposits will also be refunded.

6. **Buyer Acknowledgment:** Buyer understands that: (i) Lender is not a party to this Contract and has no obligation to approve it; (ii) Buyer must pay any fees required by Lender policies, such as discount fees, "short sale fees," or similar charges; (iii) Seller and Broker are not responsible for any delays, Lender's refusal to approve, or failure to complete the short sale.

7. **Seller Acknowledgment:** Seller understands that: (i) a short sale may be a taxable event with possible tax consequences; (ii) the short sale could negatively affect Seller; (iii) Seller has been advised to seek legal and tax guidance; (iv) Broker is not qualified to provide tax or legal advice and has urged Seller to consult professionals; and (v) Seller releases Broker and its associates from liability for any consequences of the short sale.