

Short Sale ADDENDUM NO. _____
TO
REAL ESTATE PURCHASE CONTRACT

Participating in a Short Sale may have negative legal or tax consequences. If you desire specific legal or tax advice, consult your attorney or tax advisor.

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.

1. ACKNOWLEDGMENT OF SHORT SALE. This transaction is commonly referred to as a "Short Sale" because the Purchase Price for the Property is less, or "short", of the amount(s) owed to individuals/entities that have a financial interest in the Property (the "Third Parties"). Under the terms of the REPC, the Third Parties are being requested to accept less than what is owed to them. Therefore, the REPC is subject to Third Party Approval as defined in Section 2 below. 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.

2. THIRD PARTY APPROVAL. Buyer and Seller agree that their respective obligations under the REPC are conditioned upon Third Party Approval as defined in this Section. For purposes of the REPC, the term "Third Party Approval" shall mean that the requirements of Sections 2.1 and 2.2 have been satisfied:

2.1 Obligations of Seller to Third Parties. Third Party Approval means that Seller has reached a written agreement with the Third Parties regarding any conditions of approval required by the Third Parties for a Short Sale payoff, including, but not limited to, any deficiency rights against Seller, any requirements for a promissory note from Seller to the Third Parties, or any other Short Sale payoff criteria that represent a continuing obligation against Seller; and

2.2 Agreement to Terms & Conditions of REPC. Third Party Approval also means that Seller, Buyer, and the Third Parties have reached an agreement regarding the terms and conditions for the purchase and sale of the Property. Such agreement may be either of the following:

- (a) Seller has received from the applicable Third Parties, written approval of the terms and conditions contained in the REPC as originally submitted to the Third Parties; or
- (b) Buyer and Seller have agreed to other terms and conditions as requested by the Third Parties ("Third Party Modifications") on a separate addendum to the REPC. The Third Party Modifications shall not be binding on Buyer or Seller without their mutual written consent, which consent may be withheld by Buyer and/or Seller in their sole discretion.

3. DELIVERY OF REPC TO THIRD PARTIES. No later than four (4) calendar days after Acceptance of the REPC by Buyer and Seller (as defined in Section 23 of the REPC) Seller agrees to submit the REPC to the applicable Third Parties, together with any additional documentation required by the Third Parties.

4. FAILURE TO OBTAIN THIRD PARTY APPROVAL. Seller and Buyer shall have until _____ ("Third Party Approval Deadline") to obtain Third Party Approval. If by the Third Party Approval Deadline, Third Party Approval has not been obtained, the REPC shall automatically be deemed cancelled whereupon any Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seller.

5. EARNEST MONEY DEPOSIT. Buyer agrees to deliver the Earnest Money Deposit to Buyer's Brokerage (check applicable box): ☐ as required in the first paragraph on page one of the REPC; ☐ no later than four (4) calendar days after Third Party Approval as defined in Section 2 above; or ☐ Other (specify)

6. SELLER'S RIGHT TO ACCEPT BACK-UP OFFERS. Buyer agrees that at any time prior to Third Party Approval as defined in Section 2 above, Seller may: (a) continue to market the Property to other interested buyers; (b) continue to advertise the Property through the MLS showing any MLS status category (the MLS will allow) deemed necessary and appropriate by the Seller and/or the Third Parties; (c) accept additional backup offers for the purchase of the Property ("Backup Contracts") subject to the rights of Buyer under this contract; and (d) Seller may or may not submit any such Backup Contracts to the Third Parties for review.

7. BUYER & SELLER'S RIGHT TO CANCEL REPC. Seller and Buyer acknowledge that there will be significant time delays in obtaining any response from the Third Parties to the terms of this proposed Short Sale; and because this is a Short Sale, Seller will need to obtain the highest and best terms for the sale of the Property. During this significant time delay, circumstances may change for both Seller and Buyer. The changes in circumstances may include, but are not limited to: (a) adjustments in available mortgage financing rates and terms; (b) modifications in the financial circumstances of Seller or Buyer; (c) the timing of the transaction may no longer meet Buyer or Seller's needs; (d) Buyer may find another property that better suits Buyer's needs; and (e) Seller may receive additional offers for the purchase of the Property that better address Seller's legal and financial needs. Based on the above, if at any time prior to Third Party Approval, or the Third Party Approval Deadline, whichever occurs first, the Buyer or Seller determines that their circumstances have changed and it is no longer in their best interest to pursue the sale/purchase of the Property, either Buyer or Seller may cancel the REPC by providing written notice to the other party. In such instance, the Earnest Money Deposit, if any, shall be returned to the Buyer without the requirement of further written authorization from Seller. Buyer and Seller acknowledge and agree that this mutual right of cancellation is fair and reasonable to both parties.

8. CONTRACT DEADLINES. Unless otherwise agreed to as part of the Third Party Approval, Buyer and Seller agree that the Contract Deadlines in Section 24 of the REPC are as follows:

(a) Seller Disclosure Deadline _____ days after Third Party Approval.

(b) Due Diligence Deadline _____ days after Third Party Approval.

(c) Financing & Appraisal Deadline _____ days after Third Party Approval.

(d) Settlement Deadline _____ days after Third Party Approval.

(e) Buyer and Seller also agree that if any of the dates referenced in this Section 8 above fall on a Saturday, Sunday, or legal holiday, performance shall be required on the next business day.

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.

☐ **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/COUNTER OFFER.

☐ **COUNTER OFFER:** ☐ **Seller** ☐ **Buyer** presents as a counteroffer the terms of the attached Counteroffer No _____

☐ **REJECTION:** ☐ **Seller** ☐ **Buyer** rejects the foregoing ADDENDUM/COUNTER OFFER.

☐ **Buyer** ☐ **Seller** Signature (Date) (Time) ☐ **Buyer** ☐ **Seller** Signature (Date) (Time)

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