

SHORT SALE CONTINGENCY ADDENDUM TO REGIONAL SALES CONTRACT

This Addendum is made on _____, to a Sales Contract ("Contract") dated _____ between _____ ("Purchaser") and _____ ("Seller") for the purchase and sale of the Property: _____.

1. Settlement under this Contract may result in a "short sale" of the Property.

2. DEFINITIONS.

- A. The term "Short Sale" is used to describe a sale where the debt owing against a property combined with the costs associated with the sale exceed the property's market value.
 - B. "Seller's Net Proceeds" means the Sales Price less (i) Seller's expenses under the FEES Paragraph of this Contract, (ii) Seller's obligation to pay Brokers Fees under the BROKER'S FEE Paragraph of this Contract and (iii) any other obligations under this Contract.
 - C. "Creditor Approval" means (i) the creditor(s)' written approval to sell the Property under the terms of this Contract; and (ii) the creditor(s)' written agreement to accept Seller's Net Proceeds in full satisfaction of Seller's obligation(s), liability under the Deed(s) of Trust, and/or any other liens, and provide Seller with a release of lien in recordable form.
3. Seller agrees to cooperate with Broker, Settlement Agent and creditor(s) to determine the amount of debt secured by or owed on the Property, including, but not limited to, deeds of trust, home equity loans, homeowner or condominium association fees, property taxes and any other liens affecting the title to the Property.
4. Seller must provide Creditor Approval to Purchaser as required under the DEFINITIONS Paragraph of this Addendum by _____ ("Short Sale Deadline"). Such written evidence, if received by Seller, shall be delivered to Purchaser in a timely manner.
- A. If Seller has not delivered Creditor Approval by the Short Sale Deadline, Purchaser may deliver Notice to Seller of Purchaser's intent to void this Contract. Seller shall have 3 business Days from receipt of such Notice to deliver Creditor Approval to Purchaser, or this Contract will be void.
 - B. At anytime, if Seller receives a written rejection of the Short Sale from their creditor(s) and Delivers a copy of the written rejection to Purchaser, this Contract will be void. Purchaser and Seller acknowledge that Settlement is subject to Creditor Approval of Seller's Net Proceeds, which may not be finalized until Settlement. Purchaser and Seller agree to cooperate with reasonable requests from creditor(s) in a timely fashion.
5. If Seller cannot obtain Creditor Approval, Seller will immediately Deliver written Notice to Purchaser along with an executed Release of Contract directing that the Deposit be returned to Purchaser.

6. TIMEFRAMES (Deposits, Inspections, Appraisal, and Financing Contingencies).

A. Deposit under the DEPOSIT Paragraph shall be Delivered by Purchaser to Escrow Agent:

- ☐ Upon ratification of this Contract **OR**
☐ Within _____ Days after the date Seller Delivers Creditor Approval to Purchaser.

B. Timeframes for all inspections referenced in this Contract, if applicable, shall be measured from:

- ☐ Date of Contract ratification **OR**
☐ Date Seller Delivers Creditor Approval to Purchaser.

C. Timeframe for Appraisal Contingency, if applicable, shall be measured from:

- ☐ Date of Contract ratification **OR**
☐ Date Seller Delivers Creditor Approval to Purchaser.

D. Timeframe for Financing Contingency, if applicable, shall be measured from:

- ☐ Date of Contract ratification **OR**
☐ Date Seller Delivers Creditor Approval to Purchaser.

7. SETTLEMENT DATE: If specified, the Settlement timeframe below will supersede the Settlement Date contained in this Contract. Settlement will be _____ Days after the date Seller Delivers Creditor Approval to Purchaser.

SELLER:

PURCHASER:

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

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