

# SHORT SALE ADDENDUM

To Agreement dated \_\_\_\_\_, between \_\_\_\_\_, Seller and \_\_\_\_\_ Buyer, concerning property commonly known as \_\_\_\_\_ ("Property").

**1. SHORT SALE CONTINGENCY.** Buyer acknowledges that the property secures encumbrances which, together with costs and commissions to be incurred by Seller in this sale, exceed the purchase price. Therefore, this Agreement is contingent upon an agreement being reached between the Seller and Seller's lenders and/or creditors ("Lender") to accept less than a full loan or debt payoff as a precondition of the sale, on terms acceptable to both Lender and Seller.

**2. FAILURE TO OBTAIN APPROVAL.** In the event that Seller and Lender are unable to reach an acceptable agreement within thirty (30) (or, if checked  \_\_\_\_\_) days after acceptance, this Agreement of Sale shall be deemed cancelled and all deposits returned to Buyer.

**3. TAX CONSEQUENCES.** Seller acknowledges that if the Lender reduces the amount of the Seller's debt, the forgiveness of the debt may result in taxable income to the Seller.

**4. BROKER AUTHORIZATION.** The Buyer and Seller authorized their respective Brokers to discuss with the Lender the terms and conditions which will be required by the Lender to effectuate a short sale. The parties acknowledge that the Broker can make no guarantee regarding the Seller's ability to secure a short sale nor the outcome of any negotiations with Lender for a short sale.

**5. TAX AND LEGAL ADVICE.** Seller has been advised to obtain legal advice concerning the terms of a short sale agreement with Lender, and professional tax advice regarding the tax implications.

**6. ADDITIONAL TERMS AND CONDITIONS.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Addendum, upon its execution by both parties, is made a part of the above Purchase Agreement, and supersedes any contrary provisions in the Purchase Agreement.

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

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Rev. by _____
Date _____