



**SHORT SALE ADDENDUM
TO PURCHASE AGREEMENT**
(and Joint Escrow Instructions)

In reference to the Purchase Agreement executed by _____
 _____ as Buyer(s) and _____
 _____ as Seller(s), dated _____
 covering the real property at _____,
 _____, the Buyer Seller hereby proposes that the Purchase
 Agreement be amended as follows:

1. Contingent on Existing Lender Approval. Buyer and Seller acknowledge that the Purchase Price is less than the amount of Seller's existing loan(s) against the property due and owing to one or more lender(s) and/or lienholder(s) (collectively, "Lender"). Such a transaction is called a "short sale." Therefore, the Purchase Agreement is contingent upon Seller and/or Seller's Agent obtaining approval from Lender ("Lender Approval") to accept an amount less than what is owed on the Property. Seller shall reasonably cooperate with Lender in the short sale process by providing such documentation as may be required by Lender. **BUYER AND SELLER UNDERSTAND THAT LENDER APPROVAL MAY TAKE SEVERAL MONTHS TO OBTAIN, AND NEITHER THE SELLER, THE ESCROW HOLDER NOR THE BROKERS CAN GUARANTEE THE TIMELINESS OF LENDER'S REVIEW, APPROVAL OR REJECTION.**

2. Notice of Lender Approval. Seller agrees to provide Buyer with written notice of Lender Approval within one (1) business day of Seller's receipt of the approval.

3. Time Periods. All time periods specified in the Purchase Agreement for due diligence, disclosures, inspections, other contingencies and other obligations shall begin (check one):
 as stated in the Purchase Agreement;
 one (1) calendar day after Buyer's receipt of the written notice of Lender Approval;
 --OR--
 Other _____

4. Close of Escrow. Buyer and Seller understand that Lender Approval will include an expiration date by which Close of Escrow ("COE") must occur. A typical Lender Approval is valid for 30 days. The Parties agree to use best efforts to meet the Lender's COE deadline and understand that any extension(s) must be by mutual agreement and Lender's consent. Buyer understands that Lender may impose additional requirements, such as per diem funds to be paid by Buyer, as additional consideration for any extension(s).

5. No Guarantee of Lender Approval. Buyer and Seller understand that no Lender is required or obligated to accept a short sale, and that Lender Approval may be revoked at any time prior to COE. In addition, the Parties understand that Lender may require that in exchange for approval some terms of the Purchase Agreement be amended. The Buyer and Seller are not obligated to agree to any of Lender's proposed terms; in such event, the Purchase Agreement shall be void and the Parties agree to execute cancellation instructions with ESCROW HOLDER and return EMD to Buyer. **NEITHER THE BUYER, THE SELLER, THE ESCROW HOLDER NOR THE BROKERS IN THIS TRANSACTION HAVE ANY CONTROL OVER LENDER APPROVAL, OR ANY ACT, OMISSION OR DECISION BY ANY LENDER IN THE SHORT SALE PROCESS.**

1 **6.Other Offers; Right of First Refusal.** Buyer and Seller acknowledge that the Seller's Agent is
2 required by the Multiple Listing Service to place the property in "Contingent" status after the Purchase
3 Agreement is executed, while the transaction is subject to Lender Approval. The Parties understand that
4 additional offers may be received by the Seller's Agent, which must be presented to the Seller pursuant
5 to Nevada law. If Seller receives a bona fide written offer from a third party for the purchase of the
6 Property, which offer Seller is willing to accept, Seller will give Buyer written notice thereof, including
7 the material financial terms and conditions. Buyer shall have the right for 3 business days after receipt of
8 such notice to meet the price and terms as contained in the third party's offer. To exercise this right,
9 Buyer shall provide a written addendum including the new price and terms, as well as a preapproval
10 letter for the new Purchase Price. If Buyer fails to exercise this right within the time specified, Seller
11 reserves the right to terminate this Agreement and to accept the third party's offer and forward it to
12 Lender for review.

13
14 **7.Buyer's Right to Cancel.** Buyer may cancel the Purchase Agreement for any reason and without
15 penalty any time after 45 60 90 _____ day from Acceptance if Lender Approval has not
16 been received. Upon Buyer's cancellation, Seller agrees to execute cancellation instructions with
17 ESCROW HOLDER and return EMD to Buyer.

18
19 **8.Foreclosure.** Seller warrants that, at the time of the Purchase Agreement, a Notice of Default
20 and Election to Sell has not -OR- has (date: _____) been recorded against the
21 Property. (Information regarding the foreclosure status of a property is available from the County
22 Recorder where the Property is located.) The Parties understand that the recording of a Notice of Default
23 begins a statutory foreclosure period, which lasts a minimum of three (3) months and twenty (20) days.
24 Buyer and Seller understand that if COE does not occur before a foreclosure sale of the Property, Seller
25 will lose all rights and interest in the Property and the Purchase Agreement shall be void and escrow
26 shall be cancelled. In such event, ESCROW HOLDER is instructed to return EMD to Buyer without any
27 further instruction from the Parties. The Parties agree to forever release and relieve ESCROW HOLDER
28 from any and all responsibility, liability, costs and/or litigation for the return of the EMD under these
29 conditions.

30
31 **9.Tax Consequences and Advice.** Seller agrees to seek advice from an attorney, a certified public
32 accountant or other professional regarding the credit, legal and tax consequences of a short sale.

33
34 **10.Unfulfilled Contingency.** If the Lender rejects the short sale, Seller will promptly notify Buyer
35 of the rejection and the Purchase Agreement shall be void due to the unfulfilled contingency and escrow
36 shall be cancelled. In such event, ESCROW HOLDER is instructed to return EMD to Buyer without any
37 further instruction from the Parties. The Parties agree to forever release and relieve ESCROW HOLDER
38 from any and all responsibility, liability, costs and/or litigation for the return of the EMD under these
39 conditions.

40
41 **11.Other Terms and Conditions:** _____
42 _____
43 _____
44 _____
45 _____
46 _____

1 _____
2 _____
3 _____
4 _____
5 _____
6 _____

7
8 All other terms of the Purchase Agreement, including all prior counteroffers and addenda not modified by
9 this Addendum shall remain the same. To the extent that any terms of this Addendum are in conflict with
10 the Purchase Agreement, this Addendum will control. **WHEN PROPERLY COMPLETED,**
11 **THIS IS A BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND ITS**
12 **CONTENTS, SEEK COMPETENT LEGAL AND TAX COUNSEL BEFORE SIGNING.**
13

14
15 _____
16 Buyer Seller _____ Date _____

17
18 _____
19 Buyer Seller _____ Time _____

20 **Acceptance:**

21
22
23 _____
24 Buyer Seller _____ Date _____

25
26 _____
27 Buyer Seller _____ Time _____

28 Prepared by: _____
29 Agent's Name _____ Phone _____