

SHORT SALE ADDENDUM TO PURCHASE AGREEMENT



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 Lender Approval.** Buyer and Seller acknowledge that the Purchase Price is less than the amount of Seller's 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 weeks or 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.** Close of Escrow shall occur thirty (30) calendar days after Buyer's receipt of the written notice of Lender Approval.
- 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 Close of Escrow. 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.**
- 6. Other Offers.** Buyer and Seller acknowledge that the Seller's Agent is required by the Multiple Listing Service to place the property in "Contingent" status after the Purchase Agreement is executed, while the transaction is subject to Lender Approval. The Parties understand that additional offers may be received by the Seller's Agent, which must be presented to the Seller pursuant to Nevada law. Such offers may be accepted by the Seller and forwarded to Lender for review and approval. In such an event, the Parties agree to seek independent legal counsel to determine their rights and obligations.

Buyer Initials: [] []

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Seller Initials: [] []

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7. **Buyer's Right to Cancel.** Buyer may cancel the Purchase Agreement at any time prior to receipt of the Lender Approval, for any reason and without penalty. Upon Buyer's cancellation, Seller agrees to execute cancellation instructions with ESCROW HOLDER and return EMD to Buyer.

8. **Foreclosure.** Seller warrants that, at the time of the Purchase Agreement, a Notice of Default and Election to Sell has not —OR— has (date: _____) been recorded against the Property. The Parties understand that the recording of a Notice of Default begins a statutory foreclosure period, which lasts a minimum of three (3) months and twenty (20) days. Buyer and Seller understand that if Close of Escrow does not occur before a foreclosure sale of the Property, Seller will lose all rights and interest in the Property. The Purchase Agreement shall be void, and the Parties agree to execute cancellation instructions with ESCROW HOLDER and return EMD to Buyer. Information regarding the foreclosure status of a property is available from the County Recorder of the county where the Property is located.

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

10. **Unfulfilled Contingency.** If the Lender rejects the short sale, Seller will promptly notify Buyer of the rejection and the Purchase Agreement shall be void due to the unfulfilled contingency. The Parties agree to execute cancellation instructions with ESCROW HOLDER and return EMD to the Buyer.

11. **Other Terms and Conditions:** Seller to accept subsequent offers as back up only and not to be forwarded to lender for approval. Property to be placed in C status upon sellers acceptance of offer.

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

 Buyer Seller

Date

 Buyer Seller

Time

Acceptance:

 Buyer Seller

Date

 Buyer Seller

Time

Prepared by: _____
Agent's Name

Phone

Buyer Initials: [____] [____]

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Seller Initials: [____] [____]

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