

SHORT SALE ADDENDUM TO RESIDENTIAL SALES CONTRACT

THIS IS AN ADDENDUM to that RESIDENTIAL SALES CONTRACT (the "RSC") with a Date of _____ 20____ , 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 RSC, and to the extent the terms of this Addendum modify or conflict with any provisions of the RSC, including all prior addenda and counteroffers, these terms shall control.

1. ACKNOWLEDGMENT OF SHORT SALE. Seller represents to Buyer that the agreed upon Purchase Price for the Property may be less than the amount(s) owed to individuals/entities ("creditors") that have an interest in the Property. For purposes of this Addendum, the creditors may include, without limitation, institutional lenders, mortgage insurers, bankruptcy trustees, federal, state and local tax authorities, and private parties. Since the creditors will be asked to approve a lien payoff that is less or "short" of the amount actually owed, this proposed transaction is referred to as a "Short Sale".

2. THIRD PARTY APPROVAL OF THE SHORT SALE. Buyer and Seller acknowledge that a Short Sale requires the written approval of the RSC by the creditors. Promptly after Acceptance of the RSC by Buyer and Seller (as defined in the RSC) Seller shall initiate action to obtain approval of the sale in accordance with the terms of the RSC. Seller shall submit to the creditors the RSC (the "Proposed RSC"), together with any additional documentation required by the creditors, for review and approval. Buyer and Seller acknowledge that the creditors may, in their sole discretion, elect to request modifications to the terms of the Proposed RSC, or reject the Proposed RSC.

3. THIRD PARTY CONDITIONS. If one or more of the Creditors requests modifications to the Proposed RSC ("Third Party Conditions") Seller shall, promptly after Seller's receipt of the Third Party Conditions, provide a counter offer to Buyer that includes the Third Party Conditions that modify Buyer's obligations under the RSC. The Third Party Conditions shall not be binding upon Buyer or Seller without their mutual written consent, which consent may be withheld by Buyer and/or Seller in their respective sole discretion. If by the Approval Deadline referenced in Section 4, below, Buyer, Seller and the creditors reach a written agreement, and then Buyer and

Seller shall be deemed to have entered into a binding contract with each other for the purchase and sale of the Property, with the Creditors approval of the Short Sale.

4. FAILURE TO OBTAIN THIRD PARTY APPROVAL. If by the _____ day of _____, 20__ (the "Approval Deadline") Buyer, Seller and the Creditors have not reached a written agreement as provided in Section 4=3, above, then the Proposed RSC may be terminated and cancelled by either the Buyer or the Seller, with written notice and any Earnest Money shall be returned to Buyer. The RSC may be extended by written agreement of the Buyer and Seller to allow additional time for Creditor approval.

5. SELLER'S RIGHT TO ACCEPT ADDITIONAL OFFERS. Pending approval by the creditors of the terms of any Short Sale and pending completion of settlement and closing on said Short Sale, the Seller may continue to market the property for sale and solicit from interested buyers offers for purchase. If the terms of any of such offers are acceptable to the Seller, then the Seller may accept such offer(s) as a back up contract in the event that any prior contracts of sale shall be allowed to expire, without mutual extension, prior to Creditor approval of the terms of Short Sale.

6. CANCELLATION OF RESIDENTIAL SALES CONTRACT DUE TO CREDITOR DELAY. In the event creditor approval of the terms of a proposed Short Sale is not received prior to expiration of any time deadline in any applicable purchase contract, then the Seller and the Buyer may determine whether to allow more time for obtaining Creditor approval, or whether the RSC shall simply be allowed to expire, with no further obligations between the parties and with the earnest money deposit being returned to the Buyer. Any extension of a purchase contract shall be at the discretion of both the Seller and Buyer, with no obligation on the part of either party to extend.

7. CONTRACT DEADLINES. Contract Deadlines in the RSC may be modified in the event Buyer, Seller and the creditors reach a written agreement. ALL OTHER TERMS of the RSC, including all prior addenda and counteroffers, not modified by this ADDENDUM shall remain the same. [] Seller [] Buyer shall have until ____ [] A.M [] P.M. Eastern Standard Time _____, 20__, to accept the terms of this ADDENDUM in accordance with the provisions of the RSC. Unless so accepted, the offer as set forth in the ADDENDUM shall lapse.

 Buyer Seller Signature Date/Time Buyer Seller Signature Date/Time

ACCEPTANCE/COUNTER OFFER/REJECTION
CHECK ONE:

ACCEPTANCE of ADDENDUM: Seller Buyer hereby accepts the terms of this
ADDENDUM

COUNTEROFFER: Seller Buyer presents as a counter-offer the terms of attached
ADDENDUM No. _____

 Buyer Seller Signature Date/Time Buyer Seller Signature Date/Time

REJECTION:

Seller

Buyer rejects the foregoing ADDENDUM/COUNTER OFFER [] Initials

Date _____, _____ Time