



Heartland Real Estate Association
SHORT SALE ADDENDUM



To be used in conjunction with the HREA Residential Offer to Purchase. For Member Use Only.
This form has been approved by Board Legal Counsel.

This Addendum is made part of the Residential Real Estate Purchase Agreement dated _____, 20____, between _____, as Seller and _____ as Purchaser ("Agreement") for the sale and purchase of the property located at _____ ("Property"). In the event of any conflict or ambiguity in the terms of the Agreement and this Addendum, the terms of this Addendum shall govern. Any terms not defined herein shall have the same meaning as set forth in the Agreement.

- 1. Contingent Upon Acceptable Short Sale Agreement:** Purchaser and Seller acknowledge that the purchase price offered by Purchaser in the Agreement is not sufficient to pay all the Seller's obligations which are secured by liens against the Property. Due to these potential deficiencies, the parties further acknowledge that the Seller must obtain the consent of sale from all parties holding a lien on the Property ("Lienholders") prior to the sale of the Property to Purchaser. As a result of the consent of sale requirement, the Agreement shall be contingent upon Seller entering into a written agreement with the Lienholders which will allow Seller to convey title to the Property to Purchaser free and clear of all liens. Purchaser and Seller acknowledge that it may take weeks or months to obtain the Lienholders approval of sale.
- 2. Documentation to Creditor(s):** Within ten (10) days of the date of Acceptance of the Agreement, Seller shall take all actions required by the Lienholders necessary to obtain the consent to sell the Property at the price offered in the Agreement. Seller shall further supplement any information or actions on a timely basis as may be required by the Lienholders to obtain said consent of sale and to diligently work and use Seller's best efforts to obtain the consent to sell the Property.
- 3. Other Offers:** **UNLESS OTHERWISE AGREED BY THE PARTIES HERETO IN WRITING, SELLER MAY CONTINUE TO MARKET THE PROPERTY DESPITE ACCEPTANCE OF PURCHASER'S OFFER TO PURCHASE AS SET FORTH IN THE AGREEMENT AND TO ACCEPT ADDITIONAL OFFERS TO PURCHASE SUBJECT TO THE SAME CONTINGENCIES SET FORTH HEREIN. THE ACCEPTANCE OF ADDITIONAL OFFERS SHALL NOT INVALIDATE THE AGREEMENT.** Seller shall provide Purchaser with written notice of the receipt of any other offer(s) prior to or concurrently with the submission of such offer(s) to the Lienholders.
- 4. Creditor Approval Notice:** If Seller obtains a consent to sell from the Lienholders, consistent with the terms detailed in the Agreement, then Seller shall deliver a written copy of the terms of said consent to Purchaser not later than seventy-two (72) hours after Seller's receipt of such terms from the Lienholders. This delivery of the written short sale agreement(s) to Purchaser shall be known as the "Creditor Approval Notice". Upon delivery of the Creditor Approval Notice the contingency set forth in Paragraph 1 above shall be deemed satisfied and the Agreement shall be binding upon the parties hereto subject to any additional contingencies.
- 5. Earnest Money and Deposit:** Notwithstanding anything in the Agreement to the contrary, Purchaser shall not be obligated to deliver any earnest money and/or any additional cash deposit as required by the Agreement until seventy-two (72) hours after receipt of the Creditor Approval Notice.
- 6. Purchaser Termination:** Purchaser may terminate the Agreement by delivering a written notice of termination to Seller at any time before receipt of the Creditor Approval Notice from Seller, whereupon all deposits previously made in connection with the Agreement shall promptly be returned to Purchaser.
- 7. Seller Termination:** If Seller is not able to obtain a consent of sale from the Lienholders based on the terms of sale set forth in the Agreement, Seller shall promptly notify Purchaser, and the Agreement shall be deemed terminated, whereupon any and all deposits previously made in connection with the Agreement shall promptly be returned to Purchaser.
- 8. Automatic Termination:** If the Creditor Approval Notice is not provided to Purchaser within one hundred eighty (180) days after Acceptance, then the Agreement shall terminate automatically and without notice required by either party, whereupon any and all deposits previously made in connection with the Agreement shall promptly be returned to Purchaser.
- 9. Time Periods:** For the purposes of any time periods contemplated by the Agreement, Acceptance shall be defined as the day the Creditor Approval Notice is delivered to Purchaser.

10. Purchaser and Seller Costs: Purchaser and Seller acknowledge that each may incur costs in connection with rights or obligations under the Agreement. These costs may include, but are not limited to, payments for loan applications, legal counsel, inspections, appraisals, and other reports. If the Agreement is terminated as provided in this Addendum, such costs will be the sole responsibility of the party incurring them.

11. Closing: Closing shall occur not later than _____ days after delivery of the Creditor Approval Notice, unless extended as provided in the Agreement or by written mutual consent.

12. Other Terms and Conditions:

Purchaser Date

Seller Date

Purchaser Date

Seller Date

Address: _____