



SHORT SALE ADDENDUM TO PURCHASE AGREEMENT

Addendum # _____

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REALTORS® Association of Lincoln

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This is an Addendum to the Purchase Agreement dated _____ regarding the property located at _____ (“Property”). The terms of this Addendum are hereby incorporated as part of the above referenced Purchase Agreement, and to the extent the terms of this Addendum modify or conflict with any provisions of the Purchase Agreement, including all prior addenda and counteroffers, these terms shall control and prevail.

- 1. ACKNOWLEDGMENT OF SHORT SALE.** Seller represents to Buyer the agreed upon Purchase Price for Property is less than the amount(s) owed to individuals/entities (“Third Parties”) who have an interest in Property. For purposes of this Addendum, Third Parties may include, without limitation; institutional lenders, mortgage insurers, bankruptcy trustees, federal, state and local tax authorities, and private parties. Third Parties will be identified on the Commitment for Title Insurance referenced in the Purchase Agreement. Since Third Parties will be asked to approve a lien payoff 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.** This sale is contingent upon _____ (Seller’s Lender) agreeing to this Purchase Agreement and to release its lien on Property on or before _____, 20____ (“Approval Deadline”). Seller agrees to promptly request the foregoing agreement and shall cooperate promptly and reply to all reasonable requests made by Seller’s Lender(s).
[☐] (if checked) Property shall remain on the market until this contingency is removed by Seller providing Buyer with a letter from Seller’s Lender(s) so agreeing or the Purchase Agreement shall terminate. If Seller obtains a higher offer Seller wishes to submit to lender, Seller will notify Buyer and Buyer may terminate this offer and receive Buyer’s earnest money back. If Buyer elects to keep Buyer’s offer in place, Seller may submit the second offer to Seller’s lender, subject to rejection of this offer.
[☐] (If checked) Neither Seller nor Seller’s agents shall market Property until the earlier of refusal of Seller’s Lender to agree or Approval Deadline whichever shall first occur.
- 3. THIRD PARTY CONDITIONS.** If one or more Third Parties requests modifications to the Purchase Agreement (“Third Party Conditions”) Seller shall, no later than five (5) days after Seller’s receipt of Third Party Conditions, provide a counter offer to Buyer including Third Party Conditions modifying Buyer’s obligations under the Purchase Agreement. Third Party Conditions shall not be binding upon Buyer or Seller without their mutual written consent.
- 4. FAILURE TO OBTAIN THIRD PARTY APPROVAL.** If by Approval Deadline Seller’s Lender has not approved or Buyer, Seller and Third Parties have not reached a written agreement as provided in Section 3 above, the Purchase Agreement shall automatically be deemed cancelled and any Earnest Money submitted shall be returned to Buyer.

5. **PROPERTY CONDITION.** Buyer is encouraged to make any and all inspections of Property, if desired. Buyer shall have twelve (12) days after the release of the contingency to conduct inspections. All inspections shall be ordered after written agreement from Third Parties, Sellers and Buyers is obtained. **All inspection costs shall be the responsibility of Buyer.** Buyer acknowledges that Property is being sold "AS IS-WHERE IS" and that no repairs will be made to the Property prior to closing or after closing by Seller or Third Parties.
6. **BUYER'S OBLIGATION UPON LOAN OR ASSUMPTION.** Buyer shall have no obligation to start financing as set forth in the Purchase Agreement until the contingency of this Addendum is satisfied or removed.
7. **ACKNOWLEDGEMENT OF TAX CONSEQUENCE.** Seller acknowledges this offer may provide debt relief which may have tax consequences. Seller shall consult an independent tax advisor to ascertain the tax consequences of this transaction.
8. **INSURANCE.** Buyer and Seller acknowledge that because this is a "short sale" there may not be liability insurance to cover injury on the premises before closing and may not be insurance proceeds available to repair or replace any buildings on the premises if there is a casualty pending closing. Notwithstanding anything to the contrary in the purchase agreement upon loss or destruction to the buildings prior to closing Buyer may terminate this agreement without fault.

ALL OTHER TERMS of the Purchase Agreement, including all prior addenda and counteroffers, not modified by this Addendum, shall remain the same.

Seller Date

Seller Date

Buyer Date

Buyer Date