**Supplemental Short-Sale Addendum**

The following terms, conditions and disclosures are hereby incorporated into and made a part of the Purchase and Sale Contract dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the property located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in which \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is referred to as “BUYER and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_are referred to as “SELLER(S)/OWNER OF RECORD.”

**The parties are unrelated or unaffiliated by family or ongoing commercial enterprise.**

**In the event that there is a conflict between any of these documents, the terms and conditions contained herein SUPERCEDE the terms and conditions set forth in the Contract or its addenda.**

SELLER(S)/OWNER OF RECORD hereby grants to the BUYER an exclusive Contract and/or Option to Purchase the Property via a short sale/short pay.

SELLER(S)/OWNER OF RECORD and BUYER fully agree and acknowledge that the consideration set forth in the Contract dated\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ constitutes legal, adequate, and valuable consideration for the purposes of the Contract and this Supplemental Short-Sale Addendum.

**PURCHASE PRICE:** The total purchase price will be the negotiated balances of all liens, mortgages and closing costs.

**EARNEST MONEY:** To be deposited within three (3) business days of receipt of written Short Sale Approval(s) from all voluntary and involuntary Lien Holder(s).

**PROOF OF FUNDS:** It is agreed and understood that Buyer places offers upon multiple properties, as such, Buyer will provide Proof of Funds within 5 business days after Seller(s) acceptance of this Purchase Contract and the completion of the Homeowners Packet. (See Section /Clause 10 of this Supplemental Short Sale Addendum)

1. All time frames pertaining to any of the Buyers contingencies or obligations, including, but not limited to, deposit of the earnest money, any and all deadlines such as due diligence, inspections and appraisals, shall begin on the 3rd business day after Buyer receives written notification(s) from the Seller(s), and/or Seller(s) Agent, of the written Short Sale Approval/Settlement from all Lien Holder(s), including all voluntary and involuntary liens and judgments. (Seller(s) Disclosure Deadline is within 15 days of Seller(s) acceptance of this Purchase Contract)
2. SELLER(S)/OWNER OF RECORD understands that this transaction is a Short Sale or Short Pay and is contingent upon - 1) the acceptance of written short-pay offers that include a full release and satisfaction of all liens, both voluntary and involuntary, held by the current lienholders, 2) The Seller(s) full release from liability and not bringing any cash to closing. The parties acknowledge that the Mortgage Debt Forgiveness Act was not extended beyond 12/31/2016. Seller(s) are advised to seek a Licensed Tax Professional and/or a Legal Professional regarding consequences of the cancellation of debt.
3. SELLER(S)/OWNER OF RECORD further acknowledges that the purchase price to equal the amount of the short-pay offers, of all other liens and closing costs, and that the parties acknowledge that the purchase price may have not been initially based on an estimated negotiated debt at closing. During negotiations, there may be several different preliminary contracts with different estimated purchase prices submitted by BUYER to the lender(s) until a final discounted figure is accepted.
4. Accordingly, SELLER(S)/OWNER OF RECORD agrees to authorize BUYER to prepare various negotiating offers with various prices without obtaining SELLER(S)/OWNER OF RECORD’S signature or approval of each and every negotiating offer. SELLER(S)/OWNER OF RECORD will ratify in writing the final agreed upon purchase price.
5. INSPECTION PERIOD:The Property is being sold “As Is” with regard to the physical condition of the Property and any improvements. Seller(S)/OWNER OF RECORD are giving no warranties to the BUYER as to the physical condition of the real property or any improvements. BUYER shall have the same number of days as the contract and/or option period states, and as further noted in this addendum, to inspect and evaluate the Property. SELLER(S)/OWNER OF RECORD shall grant to the BUYER reasonable access to the Property for purposes of inspection and evaluation (such as environmental testing, home inspection, and BPO or appraisals, etc.). If prior to the end of this Inspection Period, BUYER gives notice to SELLER(S)/OWNER OF RECORD that BUYER elects to cancel this Contract (the “Cancellation Notice”), this Contract shall terminate. If BUYER does not deliver the Cancellation Notice, the Contract shall continue.
6. NOTICE OF INVESTMENT INTENT FOR TAX TREATMENT AND OTHERWISE: The BUYER is acting as and intends to be a real estate investor (i.e. acquire, hold long term as a rental and resell via a 1031 tax-deferred exchange or otherwise), with the goal of long-term investing. It is acknowledged by all parties that the BUYER may have to respond to factors and circumstances beyond his/her/its control and quickly liquidate the subject property. Said factors and circumstances include, but are not limited to, the ultimate negotiated purchase price, the nature and terms of the written short-sale/ short pay approval, market forces, property value trends, national economic events, and trends in the local rental market. Therefore, all parties participating in or approving this Contract and short sale/short pay hereby agree to and acknowledge BUYER’S status as an investor while acknowledging that BUYER may need to choose to quickly resell the subject Property after increasing the value and/or after performing substantial refurbishment to the subject Property. Buyer may assign its rights under this agreement without Seller(s) approval. Increasing the value of the Property includes any negotiated reduction of any voluntary or involuntary liens or judgements that attach or may attach to the Property at closing or settlement.
7. NON-GSE-RELATED DEBT: The SELLER(S)/OWNER OF RECORD hereby grants the BUYER and/or their representatives all of the necessary rights, but not the requirement, to list for sale as a Lease Option or to otherwise, market, negotiate and enter into an Agreement to Lease, Lease Option or Contract to Sell, the property to an independent third party. Should the BUYER’S investment intent change, it will then be the intention of the BUYER to procure a third-party Lease Option, Owner-Financed, Assignment of Contract or other arms-length purchaser, at a price greater than this purchase price as a condition precedent to or immediately after buying this Property since BUYER would then intend to promptly resell the Property for the maximum allowable profit including an Assignment of this Contract.
8. HIGHER SUBSEQUENT OFFER: In accordance with the terms of the National Standard Short Sale program and related Short-Sale Affidavit and anticipated future changes to such affidavits at the request of FREDDIE MAC or FANNIE MAE, the parties hereby understand and agree as follows:
9. Even though the MLS activity and marketing of the subject Property by the SELLER(S)/OWNER OF RECORD has stopped, a future higher offer may be presented to the SELLER(S)/OWNER OF RECORD by an unrelated third party.
10. If a higher offer is received and the National Standard Short-Sale policy remains unchanged, then the subsequent higher offer must be presented to the servicer or investor considering or approving this short-sale offer.
11. The servicer’s potential requirement that said higher offer be presented to the servicer may illegally or improperly interfere with this existing Contract for Sale and Purchase and result in economic harm to the BUYER.
12. Therefore, in anticipation of the presentation of said higher subsequent offer, the parties hereby agree and put all servicers, lenders and investors on notice that:
13. Should a valid higher subsequent offer be presented by an unrelated third party, then Buyer agrees to execute a Release of Contract with the SELLER(S)/OWNER OF RECORD and the new potential buyer, whereby this Contract will be released and vacated upon the receipt of final written approval of the subsequent higher offer.
14. Said Release of Contract will require the new potential buyer to compensate, in a separate transaction, Buyer for his/her/its release of his/her/its equitable or contractual interest in the subject Property, as well as for the time and effort expended by, and economic loss to be sustained by Buyer. Said compensation will be set forth on the appropriate settlement statement.
15. Within the Seller(s) Disclosure Deadline, (due within 15 days of execution of this contract), Seller(s) hereby agrees to disclose to Buyer all existing Liens and Judgments affecting the property. Buyer reserves the right to cancel this purchase at their discretion, at any time prior to closing, if such discovered Liens or Judgments are not cleared by Seller(s), prior to closing deadline or remedied to Buyer's satisfaction.
16. However; Buyer reserves the right, but not the obligation to pay all or part of any Liens against the subject property. Buyers Earnest Money, if any, shall be returned to Buyer, in full, under this Clause, if Seller(s) cannot or will not remedy the Liens and or Judgments as stated, or if Buyer elects not to satisfy any such Liens at Buyer's expense.
17. Listing Agent hereby agrees to negotiate this Short Sale with all Lenders, if Buyer is unable to perform the negotiation due to any Lender guidelines or resistance, or if any local or other Laws prohibit a Buyer from handling the Short Sale Negotiation. Buyer will make their best effort to get all Lenders to comply with Buyer's right and intention to negotiate this Short Sale. Listing Agent shall provide Buyer a copy of all Short Sale Approval Letters and Affidavits from the each Mortgage Holder within 3 business days of Listing Agents receipt.
18. If Buyer is not fully satisfied, at their discretion, with the verbal Approved Short Sale NET Payoff requirements (Short Sale Affidavit and/or Restrictions), on any of the mortgages, voluntary or involuntary liens, Buyer shall have the right to withdraw from this purchase without penalty, if Buyer withdraws before the written approval from all lien holders both voluntary and involuntary.
19. By the Seller(s) Disclosures Deadline, which is to be 15 calendar days after execution of this Purchase Contract, by both Buyer and Seller(s), and in addition to Accepting all Attachments and Addenda, Seller(s) must sign and/or notarize and deliver to Buyer the completed “Homeowners Packet”. Such Packet may consist of the following; Amendment to Listing Agreement, TRN Agreement, Authorization To Release Information Form, Property Inspection Sheet, Pre-Settlement Request,Qualified Written Request, Notice of Contract, Notice of Interest, Durable Limited Power of Attorney and any further administrative and/or any legal documents as Buyer may require, as condition of this Purchase Agreement, and as may be required in the future, as part of negotiating and reaching an agreement with the lien holders.
20. Listing Agent, if any, hereby agrees to assist Buyer by meeting with all applicable Lenders hired BPO Agents and or Appraisers to discuss all property repairs and other issues affecting the current market value of the subject property, including the task of providing any such party any comparable market data provided by the Buyer.
21. Seller(s) agrees fully and promptly cooperate with the Buyers needs applicable, to facilitating and negotiating this Short Sale, including but not limited to providing the Buyer and or Listing Agent all Short Sale related information requested by the Mortgage Holders, throughout the Short Sale processing efforts, furthermore, Listing Agent, if any, agrees to deliver said provided information to the Mortgage Holders within the given deadlines, as needed.
22. Listing Agent, if any, is required by any Lender(s), Listing Agent must complete and inform Buyer when the completed Short Sale Packet has been provided to the Lender, within 3 calendar days of providing the Short Sale Packet to the Mortgage Holder(s).
23. Disclosure to all Parties; Buyer's Agent, if any, may be compensated a commission for their Agency Representation Services, out of Buyer's NET proceeds which may however derived from this transaction, according to the amount agreed upon in the Buyer Broker Agreement between said Parties or as otherwise mutually agreed to in writing. If Buyer must exercise their rights under clauses 8 and 9 of this attached Supplemental Short Sale Addendum, Buyer's Agent, if any, shall not be owed any Commission from Seller(s) or Listing Brokerage. However; If Buyer's Agent locates a subsequent Buyer when exercising clauses 8 & 9, Buyer's Agent shall be paid the full Buyer's side commission in this transaction, paid by the Lender at Closing as is typical in
24. Seller accepts responsibility for and shall procure lien holder approval to pay the following settlement expenses: a) Pro-rated property taxes, b) Transfer taxes/deed stamps, c) Prorated HOA dues, and d) The preparation of the deed and other documents as specifically required by law to convey Property title to Buyer in accordance with the terms of the Agreement.
25. BUYER ACCEPTS RESPONSIBILITY FOR ALL OTHER CLOSING COSTS not specifically accepted by Seller in 19(a), 19(b), 19(c), or 19(d) above. This includes but is not limited to misc. transfer fees due at Closing, all Property inspection/certification costs including those imposed by local ordinance, Buyer’s title search, Buyer’s title insurance, Buyer’s financing, HOA transfer or Estoppel Letter charges, and all fees payable to the Settlement Agent of record.
26. Seller(s) and or Listing Agent, if any, hereby agree to fully complete, sign, and notarize where applicable and deliver to Buyer or Buyer's Agent, if any, a fully executed "TRN Membership Agreement", as may be required by Buyers and provided to Seller(s) by Listing Agent, Buyer's Agent or Buyer presented with this Offer and or any other subsequent administrative or legal paperwork in furtherance of reaching a short sale approval with Lender(s).
27. Seller(s) shall refer all Lender communication to Listing Agent or whatever company is handling the Short Sale negotiations.
28. Vesting of title to be determined at close of Escrow.

**SIGN BELOW TO ACCEPT THIS ADDENDUM:**

**SELLER(s):**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**BUYER(s):**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_