

# SHORT SALE ADDENDUM TO THE RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
August 2008



*The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.*



- 1. Seller: \_\_\_\_\_
- 2. Buyer: \_\_\_\_\_
- 3. Premises Address: \_\_\_\_\_
- 4. Date: \_\_\_\_\_

5. The following additional terms and conditions are hereby included as part of the Contract between Seller and Buyer for the above referenced Premises. Delivery of all notices and documentation shall be deemed delivered and received when sent as required by Section 8m of the Contract

### 8. CONTINGENT UPON ACCEPTABLE SHORT SALE AGREEMENT

- 9. Buyer and Seller acknowledge that there is more debt owing against the Premises than the purchase price. Therefore, this Contract is contingent upon an agreement between the Seller and Seller's creditor(s), acceptable to both, to sell the Premises for less than the loan amount(s) ("short sale"). Buyer and Seller acknowledge that it may take weeks or months to obtain creditor(s) approval of a short sale.
- 13. Nothing shall limit a Seller from accepting subsequent offers from subsequent buyer(s) and submitting the back-up contract(s) to Seller's creditor(s) for consideration. All parties understand and agree that Seller's creditor(s) may elect to allow the Seller to sell the Premises only to the holder of the Contract with terms and conditions most acceptable to creditor(s).

### 16. DOCUMENTATION TO CREDITOR(S)

17. Seller shall submit to creditor(s) a copy of this Contract, including this and other Addenda, and any other documentation required by the creditor(s) for approval of this sale within five (5) days after Contract acceptance. Seller agrees to diligently work to obtain short sale approval and will promptly provide the creditor(s) with all additional documentation required, including an appraisal, at Seller's expense, if required. Seller instructs creditor(s) to provide approval status updates to Broker(s) and Buyer upon request.

### 21. TERMS UPON ACCEPTABLE SHORT SALE AGREEMENT

- 22. **Agreement Notice:** If Seller and Seller's creditors enter into a short sale agreement, the Seller shall immediately deliver notice to Buyer ("Agreement Notice").
- 24. **Time Periods:** The date of Seller's delivery of the Short Sale Agreement Notice to Buyer shall be deemed the date of Contract acceptance for purposes of all applicable Contract time periods.
- 26. **Escrow and Earnest Money:** Buyer shall promptly open Escrow and deposit Earnest Money as described in the Contract upon receipt of Agreement Notice.
- 28. **Loan Costs:** Buyer will be responsible for all Buyers' Loan Costs.
- 29. **Seller Warranties:** Buyer hereby waives Seller's warranties as set forth in Lines 163-166 of Section 5a of the Contract that all listed items shall be in working condition at the earlier of possession or COE. However, Seller warrants and shall maintain and repair the Premises so that, pursuant to lines 167-168 of the Contract, at the earlier of possession or COE, the Premises, including all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning systems, and heaters, if any), free-standing range/oven, built-in appliances and additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance and all personal property not included in the sale and all debris will be removed from the Premises.
- 36. **Close of Escrow:** Close of Escrow shall occur thirty (30) days or \_\_\_\_\_ days after delivery of Agreement Notice.
- 37. **Creditor Requirements:** Buyer and Seller agree to cooperate with Creditor(s) and sign additional Creditor disclosure(s) or execute additional addendum(a) required by Creditor(s) as a condition of approval of the short sale, provided that Buyer and Seller incur no additional cost or liability.

### 40. BUYER CANCELLATION

41. Buyer may unilaterally cancel this Contract by notice to Seller at any time before receipt of a short sale Agreement Notice from Seller.

>>

Short Sale Addendum to the Residential Resale Real Estate  
Purchase Contract • Updated: August 2008

<Initials Copyright © 2008 Arizona Association of REALTORS®. All rights reserved. Initials>

SELLER	SELLER
--------	--------

BUYER	BUYER
-------	-------

42. **LEGAL AND TAX ADVICE**

43. Seller acknowledges that Broker is not qualified to provide financial, legal, or tax advice regarding a short sale transaction.  
44. Therefore, the Seller is advised to obtain professional tax advice and consult independent legal counsel immediately  
45. regarding the tax implications and advisability of entering into a short sale agreement.

46. (SELLER'S INITIALS REQUIRED)

SELLER SELLER

47. **UNFULLFILLED CONTINGENCY**

48. In the event that Seller and Seller's creditor(s) are unable to reach a short sale agreement acceptable to both, at the sales price contained  
49. herein, Seller shall promptly notify Buyer of same, and the Contract shall be deemed cancelled due to the unfulfilled short sale contin-  
50. gency. If applicable, Buyer shall be entitled to a return of any Earnest Money.

51. **OTHER TERMS AND CONDITIONS**

52. (1) Any current HOA Assessments which are a lien at COE (Section C of HOA Addendum) and  
53. all transfer fees charged by the HOA (Section F of the HOA Addendum) shall be paid by  
54. the Seller's Lender(s) as owner is doing a "Short Sale" on the property.

55. (2) If an appraisal is required by the Seller's Lender(s) to complete the short sale  
56. approval, Seller's Lender(s) shall pay for this cost. This cost shall not be paid for  
57. by the owner.

58. (3) Home Warranty Plan to be paid for by Buyer should they choose to order a home  
59. warranty plan; Seller and Seller's Lender(s) will not pay for this cost.

60. (4) When approval from the Seller's Lender or Lenders is received, Seller and Seller's  
61. Agent shall deliver an "Agreement Notice" to Buyer and Buyer's Agent that all required  
62. short sale approvals have been received. At delivery of the "Agreement Notice", Buyer  
63. shall have 21 days to close escrow.

64. (5) Buyer agrees to deposit \$500 of their total earnest money, as stated in line 9 of  
65. the offer, withing 2 business days of acceptance of this Contract. This initial earnest  
66. deposit is non-refundable within the first 90 days of contract acceptance. If 90 days  
67. from contract acceptance has passed and the "Agreement Notice" has not been issued,  
68. earnest money turns from non-refundable to refundable. Once "Agreement Notice" has been  
69. issued, the remainder of the earnest money shall be deposited according to line 26 of  
70. the Short Sale Addendum.

71. (6) Line 13-15 of this Short Sale Addendum to be removed from this addendum as multiple  
72. offers will NOT be submitted to the Short Sale Lender(s).

76. In the event that any provision contained in this Addendum conflicts in whole or in part with any terms contained in the Contract,  
77. the provisions of this Addendum shall prevail and the conflicting terms are hereby considered deleted and expressly waived by  
78. both Buyer and Seller.

79. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

80. ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

SELLER SELLER

BUYER BUYER