



SHORT SALE ADDENDUM TO PURCHASE AND SALE CONTRACT

THE FOLLOWING PROVISIONS ARE MADE PART OF THE CONTRACT FOR SALE AND PURCHASE OR RESIDENTIAL SALE AND PURCHASE CONTRACT (HEREIN AFTER REFERRED TO AS "**CONTRACT**") BETWEEN

_____ (**Seller**)

and _____ (**Buyer**)

regarding the property located at _____ (**Property**)

A Short Sale is a process in which a Lender and/or a lien holder (hereinafter referred to as "**lender**") are requested to reduce the amount owed to it in order for the Property to sell. This occurs when the Property cannot be sold for the amount(s) owed on it to the Lender. The Seller's net sale proceeds after the payment of customary closing costs from the sale of the Property are insufficient to pay outstanding mortgage and/or other lien(s) in full at closing. Seller and Buyer hereby appoint the Law Offices of Barry L. Miller, P.A. (hereinafter referred to as the "Firm") as the exclusive agent to negotiate the Short Sale with Seller's Lender(s).

1. APPROVAL OF THE LENDER:

This Contract is contingent upon: (a) the Seller's lender(s) and/or other lien holder(s) (collectively the "Lender") approval of the purchase price, terms of the Contract and the HUD-1 settlement statement (b) the Lender's written agreement to accept a payoff which is less than the balance due on the loan or other indebtedness and (c) the Lender's written release and satisfaction of the mortgage(s) and/or other lien(s) upon receipt of a reduced payoff amount(s) (hereinafter referred to "Short Sale"). If Seller does not deliver written notice to Buyer that Lender has approved the purchase price and Contract terms within 180 days from Effective Date ("Approval Deadline"), either party may thereafter cancel the Contract by delivering written notice to the other party.

2. TIME PERIODS/CLOSING:

All time periods under the Contract except for escrow deposits requirements shall commence from the date Seller delivers written notice to Buyer that the contract has been approved by the Lender.

Buyer and Seller agree to extend the Closing Date in the Contract, not to exceed 14 days if the Lender requires additional time to complete the Short Sale transaction.

Closing shall occur within **30** days of approval from the Lender if the Buyer is obtaining financing from an institutional lender or within **15** days from Lender approval if the Buyer is paying cash (and Buyer shall pay a settlement fee at closing) or obtaining a loan from a private lender.

3. ACKNOWLEDGEMENT BY BUYER:

Buyer acknowledges that the Lender is not a party to the Contract and therefore is not obligated to approve the Contract or effectuate a Short Sale. Buyer further acknowledges that Seller and/or Broker is not liable for delays caused by Lender or costs and expenses incurred by Buyer under the Contract, or otherwise, if Lender does not complete the Short Sale after Lender approves. Buyer agrees to fully cooperate with FIRM to effectuate a Short Sale for the Property. The short sale approval from Lender must be upon terms and conditions acceptable to the Seller. FIRM shall be the sole and exclusive negotiator and contact person between Seller's Lender(s) and Seller in order to negotiate a Short Sale.

4. UTILITIES:

If the property is vacant and the utilities are off at the time of inspections, it will be the Buyer's sole responsibility to have utilities activated for inspections and pay all costs associated therewith.

5. FIRM FEE:

Buyer acknowledges that Firm has been engaged to negotiate a short sale between the Seller and the Sellers Lender(s) and is a third party beneficiary under this Contract. Firm will receive \$2,500.00 (hereinafter referred to as "Fee") on the HUD-1 settlement statement for the mitigation services of negotiating the short sale. The Buyer/Buyer's Agent and the Seller/Seller's Agent agree that Firm shall be fully compensated at closing and said compensation shall be disclosed on the HUD-1 settlement statement.

This Fee shall be paid in one of three following ways:

1. The short sale Lender will allow the Fee in the full or partial amount for the mitigation services. This Fee will be a charged from the Seller's side of the HUD-1 settlement statement; or
2. If the Buyer is given a credit from the Seller of an approved amount from the Lender, this credit will be used towards paying the Fee and any unused portion of the credit shall be used towards the Buyers closing cost. This Fee will be charged on the Buyers side of the HUD-1 settlement statement; or
3. The Buyer will be obligated to pay the Fee in full or any amount not allowed by the Lender to be paid from the Seller's side of the HUD-1 settlement statement to insure that the full Fee is paid. This Fee will be charged on the Buyers side of the HUD-1 settlement statement.

Buyer Initial

6. CLOSING COSTS:

Seller hereby agrees to pay \$2,500.00 of Buyer's closing costs, if requested by Buyer on the purchase agreement and approved by Lender.

7. ACKNOWLEDGEMENT:

Firm acknowledges that the Lender is not a party to the Contract and therefore is not obligated to approve the Contract or to effectuate a short sale involving the Contract after approving the Contract and its terms. The short sale approval letter from Lender must be upon terms and conditions acceptable by to the Seller Firm further acknowledges that Seller is not liable for delays caused by Lender or costs and expenses incurred by Buyer under the Contract if Lender does not complete the Short Sale after Lender approves.

8. SELLER'S RIGHT TO ACCEPT ADDITIONAL OFFERS:

Seller shall cause the property to be designated as "Pending" in the MLS upon acceptance of this Contract. Seller reserves the right to notate in the MLS that Seller will accept back up offers.

9. HOLD HARMLESS:

Seller, Buyer, list Agent and Selling Agent agree to hold Firm harmless and shall indemnify Firm from any and all loss, damage, liability, cost and expenses of any nature including but not limited to attorney's fees (including appeals) that may be incurred from any person, company or Lender due to: (a) Seller's and/or Buyer's negligence, representations, misrepresentations, actions or inactions, (b) the existence of undisclosed, inaccurate or incomplete facts about the Property or any Lender, or (c) use of any and all documents and information that have been provided by Seller and/or Buyer.

10. AFFILIATE BUSINESS DISCLOSURE:

Firm is affiliated with The Closing Agent, Inc. and will receive compensation for closing services and title insurance premiums from the sale of the property as the designated Closing/Title Agent. Buyer will pay title fees in accordance the Contract for Purchase and Sale and shall pay a closing fee.

11. MISCELLANEOUS:

- A. Governing Law, Venue, Severability. This agreement shall be governed by the laws of the State of Florida. Venue shall be proper only in Orange County, Florida. If any one or more of the provisions of this agreement shall be held invalid or unenforceable, the validity and enforceability of all other provisions of this agreement shall not be affected thereby.

- B. The parties hereby expressly waive trial by jury in any actions. Sole Agreement, Amendment. This agreement supersedes and replaces any prior agreement(s) or understanding(s) of any type between the parties. This agreement may be amended only by a written instrument executed by both parties.
- C. Benefit. All rights and obligations of this agreement shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, assigns, and successors; provided, however that this agreement shall not be assignable by the parties, however, Buyer may assign it's rights, duties and obligations hereunder without Seller's consent or notice.
- D. Non-waiver. No delay or failure by a party to exercise any right under this agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right.
- E. Headings. Headings in this agreement are for convenience only and shall not be used to interrupt or construe its provisions.
- F. Attorney's Fees. In the event either party commences legal action to enforce its rights under this agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable attorney's fees and costs, including any appeals.
- G. Precedence. The terms of this Addendum take precedence over any inconsistent terms of the Contract and other addendums signed by the parties hereto. This Addendum may not be amended unless agreed to in writing by Firm.

THIS ADDENDUM AMENDS THE ABOVE-REFERENCED CONTRACT BETWEEN SELLER AND BUYER. ALL OTHER NONCONFLICTING PROVISIONS OF THAT AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Seller Date

Seller Date

Seller's Agent Date

Buyer Date

Buyer Date

Buyer's Agent Date