



SHORT SALE ADDENDUM TO RESIDENTIAL CONTRACT OF PURCHASE

THIS SHORT SALE ADDENDUM is attached to and made a part of that Residential Contract of Purchase dated as of the ___ day of ___, 20___, by and between ___ (the "Seller") and ___ (the "Purchaser") for the sale of that certain real property located in the County or City of ___, Virginia, described in the Listing as ___ (the "Property"), and provides as follows:

- 1. Short Sale: Seller does hereby acknowledge to Purchaser that this transaction might or will require lien holder approval as a short sale. As used herein, the term short sale refers to a sale of the Property in which: (a) the purchase price, net of the costs of sale, is or might be less than the amount of all obligations secured by liens on the Property, including without limitation mortgage loans, credit lines, judgments, association liens, property taxes and liens, mechanics liens, water and sewer fees and liens, and other liens that must be released in order for Seller to deliver marketable title to a purchaser; (b) Seller does not have sufficient liquid assets to pay any resulting deficiencies; and (c) lien holders who will not be paid in full agree to release their liens upon payment of sums less than the amounts owed on the obligations secured by the liens.
2. Short Sale Contingency: (a) This Contract and Seller's obligations hereunder are contingent until midnight ___ days after this Contract is fully ratified by Purchaser and Seller (the "Deadline") on Seller's obtaining approval, from those of Seller's lien holders whose obligations will not be fully paid at settlement, to release such liens in return for the net proceeds of the sale. If Seller has not delivered by the Deadline copies of written lien-holder approvals or, if written approvals are not available, other evidence of such approvals reasonably acceptable to Purchaser, this contingency shall continue automatically until midnight on the third business day after Purchaser notifies Seller in writing that this Contract will terminate unless Seller has provided Purchaser evidence of all required written approvals prior to the expiration of such three-day period. If Seller receives notice from its lien-holder of rejection of this Contract, this Contract shall terminate upon Seller's delivery of notice of such rejection to Purchaser. Seller will pursue lien-holder approval in good faith, and hereby authorizes Listing Company to notify Purchaser of its progress toward approval. As used in this Section 2, the term business day shall mean a day that is not a weekend or federal banking holiday.
3. Purchaser Acknowledgements and Agreements: Purchaser acknowledges and agrees as follows: (a) Lien holders and lenders are not obligated to approve a short sale, and may impose additional requirements on the consideration of a short sale. Seller has no control over any such approval or over the time required to obtain necessary approvals. (b) Seller and Listing Company are under no obligation to agree to reduce the commission set forth in their listing agreement in order to secure the approval of lien holders. (c) Purchaser might be required by Seller's lien holder to make underwriting application with its specified lender, and Purchaser agrees to comply timely with such requirement whether or not Purchaser has been approved for financing elsewhere. Purchaser shall be under no obligation to accept financing from such specified lender. (d) Any consent by lien holders may be made on the condition that none of the terms of this Contract be altered in any material way, and therefore any changes to the date of settlement, the price, Seller concessions, commissions, or other material changes will require further consents by lien holders and could result in delays in settlement or withdrawal of approval. (e) Seller might be unable to make repairs to the Property requested by Purchaser as a result of any inspection of the Property by Purchaser. (f) There is no guarantee that the short sale process will interrupt any current or future foreclosure proceedings against Seller and the Property. Foreclosure before settlement will terminate this Contract, in which event the earnest money deposit will be returned to Purchaser.

