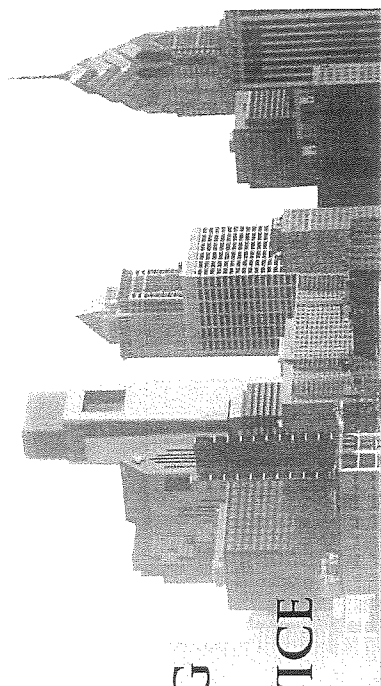


# ROTHAMELBRATTON

ATTORNEYS AT LAW

## FOCUSED EXPERTISE INNOVATIVE THINKING UNPRECEDENTED SERVICE



**R**othamel Bratton, LLC is a full service regional real estate and corporate law firm with offices in Philadelphia, Pennsylvania and Haddonfield, New Jersey. Our practice focuses on real estate issues and handles transactions throughout Pennsylvania and New Jersey.

### PRACTICE AREAS INCLUDE:

- Purchase and Sale of Real Estate • Drafting and Negotiation of Commercial Lease Agreements
- Financing of Real Estate • Landlord / Tenant Litigation
- Residential and Commercial Development
- Distressed Real Estate, Short Sales and Loan Modification
- Corporate, Real Estate and Probate Litigation • Business Formation and Representation

We offer **FOCUSED EXPERTISE** by choosing to remain an exclusively corporate and real estate law firm. Our attorneys are not generalists. We are experienced real estate and corporate law experts with diverse backgrounds that include the representation of privately and publicly traded corporations and REIT's in a large law firm setting, small and medium sized law firm experience, in-house counsel experience for a Fortune 500 company and real estate brokers, as well as non-legal experience in business and government.

We offer **INNOVATIVE THINKING** with our commitment to serve our clients as business partners. Because we are not pressured by billable hour requirements or the massive overhead of larger law firms, we are able to work in a more efficient, unique and practical fashion.

We offer **UNPRECEDENTED SERVICE**, in our ability to provide prompt and concise counsel to our clients, and in our promise to offer large firm services at small firm rates. These Core Values are the foundation of our firm. These values, partnered with our dedication to the success of our clients, are what define Rothamel Kessler DuBois LLC.

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ROTHAMELBRATTON.COM

# REALTOR SHORT SALE CHECK SHEET

**Featured Speaker: John Rothamel, Esq.**

**ROTHAMEL BRATTON**  
ATTORNEYS AT LAW

**FORECLOSURE**

**HOME  
FOR  
SALE**

## 1 WHAT IS A SHORT SALE?

With foreclosures rising, inventory at still-high levels, and home sales sluggish, many homeowners are asking for help. If a homeowner can no longer make their mortgage payments and the home is now worth less than is owed on it, foreclosure may not be the only option. A “short sale,” in real-estate terms, is the sale of a house in which the sale price is less than what the homeowner owes on the mortgage. A short sale presents an opportunity for a homeowner suffering from some kind of hardship, which has caused an inability to pay his mortgage, to negotiate a release of the mortgage balance owed in exchange for the proceeds generated from a Buyer’s offer. Both the homeowner and lender gain from this short sale process, because the lender avoids the time and expense of Foreclosure, while the homeowner preserves credit worthiness and avoids a lawsuit from lien holders.

The beauty of short sales is that they can be a win-win-win situation for seller, buyer, lender and Realtor(s). Here’s how:

- The seller gets out of the mortgage liability without facing bankruptcy/foreclosure, and the associated blemish on credit.
- The buyer purchases the home at a reduced price, as short sale listings are aggressively priced to sell
- The lender agrees to a loss it considers minimal without a costly Foreclosure and being saddled with an unsalable property.
- The Realtor(s) earn a commission that they may otherwise have not pursued, and can stay busy in a normalizing market.

While it may seem surprising that lenders would agree to accept less than what they are owed, the lenders benefit from the process too. The last thing lenders want is to own real estate, pay taxes and utilities, pay a Sheriff commission, maintain a property, make repairs to a property, and have to re-market the property to Buyers.

## 2 ARE SHORT SALES VERY COMMON?

According to CNN/Money Magazine, we are presently experiencing the highest volume of Foreclosures in history. In addition, the amount of equity that the average homeowner has in their homes is at the lowest point since the Great Depression. The filing of Foreclosures is up more than 100% on a national basis, accounting for nearly 2.2 million homes presently in Foreclosure.

## 3 WHAT CAUSES A SHORT SALE?

Sub-prime mortgage crisis/100% financing/Interest-only Loans, divorce, medical issues, loss of employment, lawsuits, or any other “hardship” that results in the inability to make ends meet and the need to sell.

## 4

### WHY SHOULD I CARE?

Sellers can avoid Foreclosure and Bankruptcy. Sellers have a choice to let their lender Foreclose, they can file for bankruptcy, or avoid both by negotiating a short sale and minimizing the impact on their credit. The fact that we have the highest volume of Foreclosures in history will mean a lot of new listings to take advantage of the short sale alternative. Realtors who market themselves to those Sellers in need of short sale assistance will find a new source of listings that will be priced attractively to sell quickly. There is a distinct universe of homes that can be marketed to with homeowners who may not know what a short sale is, and that they have an option other than Foreclosure or Bankruptcy. Make this connection, pursue Lis Pendens, market yourself as a short sale expert, build a team to streamline your business plan, and create a pipeline of business to enjoy.

## 5

### WHAT IS NEEDED FOR A SHORT SALE?

#### From the Seller:

- \_\_\_\_\_ Signed Authorization Letter
- \_\_\_\_\_ Seller's Financial Statement
- \_\_\_\_\_ Typed Hardship Letter signed by Seller
- \_\_\_\_\_ Two Most Recent Pay Stubs
- \_\_\_\_\_ Two Most Recent Bank Statements
- \_\_\_\_\_ Two Most Recent Federal Income Tax Returns and W-2 Forms

#### From the Realtor:

- \_\_\_\_\_ Copy of Listing Agreement
- \_\_\_\_\_ Broker Price Opinion Letter with Comps
- \_\_\_\_\_ Copy of fully-signed Agreement of Sale
- \_\_\_\_\_ Pre-Approval Letter from Buyer's Lender
- \_\_\_\_\_ MLS Listing Printout
- \_\_\_\_\_ Home Inspection or Estimates for Repairs (optional)

#### From Attorney (or Realtor if no Attorney):

- \_\_\_\_\_ Title Report
- \_\_\_\_\_ Mortgage and Lien Payoff Letter(s)
- \_\_\_\_\_ Preliminary HUD-1

## MLS Listing

- All terms of the offer and Agreement of Sale are subject to bank approval, "as is" transaction, Buyer responsible for C.O.

## Agreement of Sale

Delete warranty provision, home inspection provision, and wood destroying insect inspection provision. Add the following language to the Additional Contract Provisions or create an Addendum:

- The title provision of the Agreement of Sale is modified to provide that Buyer agrees that this contract is contingent upon bank approval of a short sale. In the event Seller is not able to transfer marketable title as a result of the lender's failure to approve a short sale, Seller shall not be liable to Buyer for Buyer's out-of-pocket expenses in preparing for settlement.
- This Agreement of Sale is modified to provide that Buyer and Seller understand that the mortgages and other liens on this property may exceed the purchase price or net proceeds from the sale of this property. Therefore, Buyer, Seller, and all real estate agents acknowledge and agree that this contract, including all terms, concessions, dates, deadlines and commissions, is contingent upon approval of its terms and of a "short sale" from the Seller's lenders, judgment creditors or other lien holders of a short sale, which means that said lien holders would release their liens on the property for less than the amount they are owed. If the lien holders do not approve the short sale within ninety (90) days after the expiration of Attorney Review Period, either party may cancel this contract, or the parties may agree to extend that deadline. If this contract is canceled, all deposit monies shall be returned to the Buyer and neither party shall have further obligation to each other.
- Subject to bank approval, the brokerage fee shall be due and payable at the time of actual settlement and all purchase money consideration has been received by the Seller, and the approved commission shall be split equally between the cooperating agents.
- Subject to bank approval, the brokerage fee shall be due and payable at the time of actual settlement, and the approved commission shall be split equally between the cooperating agents.
- Buyer hereby authorizes Rothamel Bratton, LLC to order title, at Buyer's expense, upon execution of this contract. Buyer understands that Seller's lender will immediately require a preliminary HUD-1 settlement statement and a copy of the Buyer's title report. In an effort to expedite the short sale negotiations, title shall be ordered from a title company selected by Rothamel Bratton, LLC and that title agency shall act as the settlement agent in this matter. In the event this short sale is not approved, Buyer shall not be responsible for the costs associated with the title search.
- The Seller acknowledges that although a mortgage lien holder or any other line holder may agree to accept less than that amount owed to it in order to release its lien on the Property, that does not automatically mean that the balance of the debt will be forgiven, and the Seller remain liable for a portion or all of the balance owed. Furthermore, if there is debt forgiveness, such amount may result in taxable income to the Seller being reported to the Internal Revenue Service in that amount. The Seller is hereby directed to consult with his or her tax advisor and certified public accountant concerning any and all consequences of a short sale.

## 7

### HOW LONG DOES IT TAKE?

On average, a short sale takes from 60-90 days. As a result, the Buyer must be somewhat flexible and amenable to a long period before settlement takes place. The reason for the long delay is because of the “red tape” many of the big lenders have created. There are a number of steps that take place during negotiations, and most of these steps are met with considerable delay as a result of the volume of files the lenders are negotiating:

1. Customer Service receives an Authorization Letter.
2. Customer Service inputs the Authorized Representative information into their –database and provides contact information for “Loss Mitigation/REO Dept.”.
3. The Short Sale package is faxed to an in-take office for Loss Mitigation.
4. The Short Sale package is scanned into the lender’s computer.
5. Once all documentation is received and scanned into the computer, a Negotiator is assigned.
6. The Negotiator reviews all submitted documentation and orders an appraisal or Broker Price Opinion Letter
7. The Short Sale package and appraisal are submitted to the Negotiator’s Team Leader for further evaluation.
8. If approved by the Team Leader, the preliminary HUD-1 is sent to the investor on the loan for final determination of whether or not the Short Sale will be approved.
9. Once the investor approves the short sale, it may have to be re-submitted to the lender’s MIP/PMI/mortgage insurance provider.
10. Finally, when all parties agree to a short sale, the terms are forwarded to the payoff department where the short sale approval is printed.

In addition to the homeowner’s lender, there may be additional negotiations to consider: It is very common for there to be addition lien holders in a short sale. Second mortgages, Home Equity Lines of Credit, Homeowner Associations, Condominium Associations, and judgment holders are common lien holders, all of whom must agree to a short sale. This can complicate negotiations, as obtaining unanimous agreement from all parties can be a challenge.

## 8

### WILL THE LENDER REDUCE MY COMMISSION?

I find that many times the lender will reduce the commission to 5%, but this has recently been addressed via NAR fighting for all Fannie Mae and Freddie Mac mortgages. These two investors can not reduce commissions below 6%, provided the listing was taken at 6% or more. My recommendation is to take all short sale listings at 7% or 6% to combat this trend, and also to drive Buyers and Buyer’s agents to the listing.

## 9

### 9. THE MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007.

The Mortgage Forgiveness Debt Relief Act became law in December 2007. Congress passed this Act to offer relief for homeowners who would formerly owe taxes on forgiven debt after facing foreclosure. The original Act expires at the end of 2009, but with President Obama’s Emergency Economic Stabilization Act of 2008, the tax relief was extended another three years to 2012. PLEASE NOTE- the protection provided for by these two Acts apply only to a primary residence and not to a rental property, vacation home or second home. All clients should be directed to speak with a tax professional or CPA for further details.

## 10

### IS THERE ANYTHING ELSE TO WORRY ABOUT?

- Always negotiate a personal release of the Note and Mortgage
- The home inspection contingency is always negotiable (strictly “as is” vs. right to inspect vs. minimum repair value before Buyer may cancel)
- Opinion 716

## 11

### WHO PAYS FOR A SHORT SALE?

Without question, most homeowners facing foreclosure are struggling to make ends meet. In an effort to avoid the cost associated with legal counsel, Rothamel Bratton, LLC will negotiate for all legal fees to be paid by the Seller’s lender out of the proceeds at settlement. In the event the short sale is not approved, no attorney fees will be owed.



**JOHN D. ROTHAMEL** is considered a foremost authority in residential and commercial real estate law, and has recently earned considerable recognition regarding his skills and experience handling short sale negotiations on behalf of homeowners.

Mr. Rothamel represents in excess of 500 clients per year in real estate transactions ranging from first time homebuyers to large-scale mergers and acquisitions, condominiums to apartment complexes, mom-and-pop barbershops to shopping malls and restaurants. Mr. Rothamel's primary focus lies with evaluating the intricacies of a transaction and working closely with the title company, mortgage lender, surveyor, inspectors, developments, contractors, and the end user of a property to ensure that all issues which may arise are addressed immediately and resolved before they become a hindrance to the transaction.

In addition to Mr. Rothamel's noted expertise as a real estate attorney, he serves as Counsel and General Counsel to a number of local real estate agencies/brokers, real estate investment firms, and development companies. Further, Mr. Rothamel is an in-demand speaker known to fill rooms with his seminars covering all aspects of real estate law, and serves as a guest lecturer at Temple University.

Mr. Rothamel served from 2007 to 2009 as a Director for the Association of Realtors (BCCAR), and as a speaker, advisor, teacher and counsel to thousands of New Jersey's licensed Realtors. In his capacity as affiliate real estate attorney for the 4000+ Realtors in Burlington and Camden County, 2000+ Realtors in Gloucester and Salem County, and the Greater Philadelphia Association of Realtors, Mr. Rothamel has his pulse on local real estate trends from the suburbs of Philadelphia, through Princeton and Cherry Hill, and all towns down the shore. Due in part to his service and expertise to the real estate community, Mr. Rothamel has been awarded "Awesome Attorney" for real estate law by the public vote, and "Top Attorney" in real estate law by fellow attorneys.

John D. Rothamel is a graduate of Lenape High School in Medford, New Jersey, The University of Maryland in College Park, Maryland, and Widener School of Law in Wilmington Delaware.

**INFORMATION NEEDED TO PREPARE CONTRACT  
FOR SHORT SALE, PLEASE ALSO INCLUDE MLS PRINTOUT  
(AGENT COPY) AND BUYER'S OFFER**

SELLERS \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE NO: \_\_\_\_\_ EMAIL: \_\_\_\_\_

REALTOR: \_\_\_\_\_ EMAIL: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

COMMISSION: \_\_\_\_\_

PHONE/FAX \_\_\_\_\_ BUYERS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE NO: \_\_\_\_\_ EMAIL: \_\_\_\_\_

REALTOR: \_\_\_\_\_ EMAIL: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

COMMISSION: \_\_\_\_\_ PHONE/FAX: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

MUNICIPALITY: \_\_\_\_\_ COUNTY: \_\_\_\_\_

BLOCK: \_\_\_\_\_ LOT: \_\_\_\_\_

PURCHASE PRICE: \_\_\_\_\_

DEPOSIT: \_\_\_\_\_

BUYER'S MORTGAGE AMOUNT: \_\_\_\_\_

SELLER CONCESSION: \_\_\_\_\_

SELLER'S MORTGAGE COMPANY NAME AND ACCOUNT NUMBER \_\_\_\_\_

\_\_\_\_\_

CLOSING DATE: \_\_\_\_\_

PERSONAL PROPERTY SPECIFICALLY INCLUDED: \_\_\_\_\_

\_\_\_\_\_

PERSONAL PROPERTY SPECIFICALLY EXCLUDED: \_\_\_\_\_

\_\_\_\_\_

WATER: PUBLIC OR PRIVATE (please circle)      SEWER: PUBLIC OR PRIVATE (please circle)

IS THERE AN UNDERGROUND FUEL TANK?    YES    NO (please circle)

HOMEOWNER'S ASSOCIATION AND MONTHLY DUES: \_\_\_\_\_

\_\_\_\_\_



John D. Rothamel, Esq., lic. Nj  
Charles C. Bratton, II, Esq., lic. Nj, PA

Cynthia Sharp, Esq., Of Counsel, lic. Nj, PA, DC\*

**John D. Rothamel, Esq.**

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P: (856) 857-6000 • F: (856) 857-6001

Marlene E. Bennett, lic. FL  
\*Master of Laws in Taxation

## SHORT SALE CHECKLIST

In order to begin negotiating a short sale with the mortgage lender, I will need the following information submitted it its entirety:

### From the Seller:

\_\_\_\_ Signed Authorization Letter  
\_\_\_\_ Seller's Financial Statement  
\_\_\_\_ Typed Hardship Letter signed by Seller  
\_\_\_\_ Two Most Recent Pay Stubs  
\_\_\_\_ Two Most Recent Bank Statements  
\_\_\_\_ Two Most Recent Federal Income Tax Returns and W-2 Forms

### From the Realtor:

\_\_\_\_ Copy of Listing Agreement  
\_\_\_\_ Broker Price Opinion Letter with Comps  
\_\_\_\_ Copy of fully-signed Agreement of Sale  
\_\_\_\_ Pre-Approval Letter from Buyer's Lender  
\_\_\_\_ Home Inspection or Estimates for Repairs (optional)  
\_\_\_\_ Copy of MLS Printout (Agent Copy)

### I will order:

\_\_\_\_ Title Report  
\_\_\_\_ Mortgage and Lien Payoff Letter(s)  
\_\_\_\_ Preliminary HUD-1

Once all of the above information is collected and organized, the entire package will be submitted to the Seller's lender(s) for short sale consideration.

I look forward to working with you in this matter.

---

**www. RothamelBratton.com**

#### Haddonfield

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#### Lawrenceville

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#### Linwood

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F: (856) 546-5123



18 Kings Highway West, Haddonfield, NJ 08033  
Phone: 856-857-6000 Fax: 856-857-6001  
215-545-0825 215-545-0785

PROPERTY ADDRESS: \_\_\_\_\_  
BORROWER(S) NAME: \_\_\_\_\_  
PHONE NUMBER: \_\_\_\_\_

AUTHORIZATION TO RELEASE MORTGAGE INFORMATION

PLEASE PROVIDE THE NAME, ADDRESS, PHONE NUMBER AND ACCOUNT OR LOAN NUMBER OF EACH MORTGAGE AND HOME EQUITY LOAN AGAINST THE PROPERTY.

Name of Mortgage Company: \_\_\_\_\_  
Address: \_\_\_\_\_ Loan number: \_\_\_\_\_  
Phone number: \_\_\_\_\_  
Name of Mortgage Company: \_\_\_\_\_  
Address: \_\_\_\_\_ Loan number: \_\_\_\_\_  
Phone number: \_\_\_\_\_

**TO THE ABOVE REFERENCED LENDER:**

Please accept this as authorization to release payoff information to my attorneys, John D. Rothamel, Esq., Charles Bratton, Esq., Paula Raroha, and Michelle Patroni, and to communicate with same, and provide them and their staff with any documentation or information necessary for closing or any other matter relating to the mortgage loan.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_  
Social Security number: \_\_\_\_\_  
Dated: \_\_\_\_\_ Signature: \_\_\_\_\_  
Social Security number: \_\_\_\_\_

## Personal Balance Sheet

### Assets

Do you have a checking account?	Yes	No	
If yes, what is your balance?			\$
Do you have a savings account?	Yes	No	
If yes, what is your balance?			\$
What is the value of your primary residence?			
			\$
Do you have any other properties?	Yes	No	
If yes, what is the value of your other residences?			\$
Value of automobile(s)			
			\$
Value of retirement plan / 401K			
			\$
Cash value of life insurance			
			\$
Value of investments: stocks, bonds, mutual funds			
			\$
Value of furniture, jewelry, computers, tools			
			\$

### Liabilities

Balance on Mortgage - primary residence	\$
Balance on second Mortgage - primary residence	\$
Balance on Mortgage - other residences	\$
Balance on auto loan(s)	\$
Balance on loans against insurance policy	\$
Total balance on all credit cards	\$
Loans to you from your family members	\$
Balance on personal loans	\$
Balance on any taxes owed	\$
Balance on student loans	\$
Balance on collection accounts	\$

Balance on medical/dental bills	\$
Balance on back alimony or child support owed	\$

### Monthly Budget

Item	Amount paid monthly	Item	Amount paid monthly
Rent/Room & Board	\$	Gasoline	\$
1st Mortgage payment	\$	Vehicle Maintenance/Oil	\$
2nd Mortgage payment / Equity line	\$	Public Transportation	\$
Real Estate Taxes / Local taxes	\$	Tolls / Parking	\$
Association / Condo fees	\$	Alimony / Child support	\$
Homeowner's / Renter's Insurance	\$	Child care / Babysitter / Daycare	\$
Home Security System	\$	School tuition / Fees / Books	\$
Routine home maintenance	\$	Student loans	\$
Utilities - Gas	\$	Books / Magazines / Newspapers	\$
Utilities - Electricity	\$	Clothing	\$
Utilities - Fuel / Oil / Propane	\$	Dry cleaning / Laundry	\$
Utilities - Water & Sewer	\$	Insurance - Hospitalization	\$
Utilities - Phone	\$	Insurance - Life & Disability	\$
Utilities - Cell phone / Pager	\$	Doctor / Dentist / Nurses	\$
Utilities - Trash collection	\$	Drugs / Medication / Eye care	\$
Cable TV / Satellite	\$	Personal grooming / Hair / Nails	\$
On-line computer service fee	\$	Contributions / Donations	\$
Infant supplies / Diapers / Formula	\$	Gifts / Holiday / Birthday	\$
Food costs / Groceries	\$	General recreation (e.g. movies)	\$
Lunches & Meals ( Job / School)	\$	Vacations / Trips / Lessons	\$
Dinners out / Fast food	\$	Tobacco / Cigarettes / Alcohol	\$

Personal items / Toiletries	\$	Emergency savings	\$
Pet food / Pet care / Vet	\$	Family allowances	\$
Auto loan payment 1	\$	Other	\$
Auto loan payment 2	\$	Other	\$
Auto insurance (average monthly cost)	\$	Other	\$

### Monthly Income

	Applicant	Co-Applicant
Gross Income	\$	\$
Net Income (take home wages)	\$	\$
Alimony	\$	\$
Child Support	\$	\$
Social Security	\$	\$
Retirement / Pension	\$	\$
Part-time job earnings	\$	\$
Food stamps	\$	\$
Other	\$	\$
Other	\$	\$

TOTAL INCOME: \_\_\_\_\_

TOTAL EXPENSES: \_\_\_\_\_

Borrower \_\_\_\_\_ Date \_\_\_\_\_

Borrower \_\_\_\_\_ Date \_\_\_\_\_

PLEASE NOTE: THIS IS AN ATTORNEY-PREPARED ADDENDUM AND IS NOT SUBJECT TO A THREE-DAY ATTORNEY REVIEW PERIOD. BY SIGNING THIS ADDENDUM, YOU ARE IMMEDIATELY BOUND BY ITS TERMS.

**SHORT SALE ADDENDUM**

**BUYER(S):**

**SELLER(S):**

**PROPERTY ADDRESS:**

1. Buyer acknowledges that the property, structures thereon, all systems, appliances, and all fixtures are being purchased in "AS IS" condition. The buyer has knowledge of the condition of the premises based on his or her personal inspection of this property before making a proposal to purchase. It is agreed and acknowledged by the Buyer all representations, warranties, services or statements contained in this Agreement of Sale that refer to the condition of the property to be conveyed are specifically waived, disclaimed, and rendered null and void.
2. The Certificate of Occupancy, termite certifications, and any other certifications required by the Buyer's lender, the Township, municipality, city, or state is the sole responsibility of the Buyer, at Buyer's expense. This includes, but is not limited to well water and septic system testing and certification. Repair limitations are subject to paragraph three (3), herein. In the event Buyer's lender requires repair, Buyer shall address same, at Buyer's expense, prior to settlement. Seller's lien holder(s) will not pay for the Buyer's repairs.
3. The Parties acknowledged that the Buyer, at Buyer's expense, has the right to a home inspection, wood destroying insect inspection, radon inspection, environmental inspection, well water inspection, septic inspection, or any other inspection desired. All inspections must be completed within (ten) 10 business days after execution of this Addendum. If inspections are not completed by the deadline above, Buyer shall be deemed to have waived Buyer's right to inspections. In the event that Buyer's inspections reveal deficiencies that will cost in excess of \$3,500.00 to correct, as confirmed by written estimate from a licensed contractor, Buyer shall have the option to terminate this agreement, in which case all deposit monies shall be returned and neither party will have further obligation to each other. Buyer is responsible for turning on the water, electric, and other public services or utilities, if disconnected) for the inspections.
4. Buyer and Seller agree that this Addendum together with the Agreement of Sale shall constitute the entire agreement between the Buyer and Seller with respect to the sale of the subject property and that this Addendum supersedes any prior agreements, negotiations, understandings, or other matters, whether oral or written, with respect to the property referenced above. No alterations, modification, or waiver of any provision herein shall be valid unless in writing and signed by the Buyer and Seller.
5. Buyer and Seller agree that the Seller may cancel this agreement prior to the ending date of the contract period without advance notice to the Broker(s), and without payment of a commission or any other consideration if the property is conveyed back to the mortgage insurer or the mortgage holder.
6. The Buyer and Seller mutually agree that under no circumstances will this Agreement of Sale be assignable.

7. Buyer hereby authorizes the law offices of Rothamel Bratton, LLC to order title, at Buyer's expense, upon execution of this Addendum. Buyer understands that Seller's lender will immediately require a preliminary HUD-1 settlement statement and a copy of the Buyer's title report. There shall be no cost to Buyer for the title search in the event this short sale is not approved.
8. Buyer and Seller agree that they acknowledge that this short sale may be contingent upon the approval of the Agreement of Sale from one or more of the following: mortgage lenders, mortgage servicers, mortgage investors, the Federal Housing Authority (FHA), the Department of Veteran Affairs (VA), government agencies, homeowner association, condominium association, Internal Revenue Service (IRS), State or local tax authority, public services, judgment creditors, and/or mortgage insurance companies.
9. Buyer and Seller agree that if third party lien holder(s) consent to this sale, but Seller does not agree to the terms of the short sale approval, the Agreement of Sale may become null and void without payment, reimbursement of costs, or any other consideration to the Buyer. In the event the Agreement of Sale is terminated, Buyer's deposit shall be returned and neither party will have further obligation to each other under this agreement.
10. All Seller closing costs, including but not limited to realty transfer tax, real estate taxes, utilities, commissions, title company settlement fees, document preparation fees, and all other closing cost shall be paid by Seller's lien holder(s), subject to lien holder(s) approval.
11. If for any reason this short sale is not approved, Seller understands and acknowledges that there is a risk of losing the property through foreclosure and/or Sheriff sale. There is no guarantee that your lender(s) or lien holder(s) will release its lien for the proceeds offered. Consult an attorney for information regarding the foreclosure process and options available for homeowners in foreclosure.
12. A lien holder may require Seller to sign a promissory note for some or all of the remaining balance of the loan(s). Sellers shall hold harmless the broker(s), agent(s), office and all its employees or affiliates, attorney, and any other party to negotiations, should the Seller's lien holder(s) require a promissory note or if the lien holder(s) reserve its option to pursue a deficiency judgment. An attorney should be consulted before agreeing to sign a promissory note or for information regarding a deficiency judgment.
13. Credit reporting is in the sole discretion of the mortgage or lien holder(s). Agents, brokers and or outside parties involved in this transaction cannot control what damage a short sale may have on Seller's credit score. Seller represents that Seller has performed an independent evaluation regarding what impact short sale will have on Seller's credit report.
14. It is expressly agreed and acknowledged that Buyer and Seller have bargained independently without undue duress, restriction, influence, or monetary benefit by another party or external influence. This sale is an arm's-length transaction and was created on the open market between an unrelated Seller and Buyer. Seller shall not receive compensation in any manner from the sale of said property.
15. All dates and deadlines in the Agreement of Sale, and those deadlines set forth by Seller's lien holder(s), shall be *of the essence*.

16. Seller may cancel this agreement prior to the ending date of the listing period without advance notice to the broker, and without payment of a commission or any other consideration, if the property is conveyed to the mortgage insurer or the mortgage holder.
17. The commission noted in the Agreement of Sale is subject to bank approval. The approved commission shall be shared equally between the cooperating brokers in this matter.
18. Buyer and Seller understand that the mortgages and other liens on this property such as mortgages, judgments, taxes, homeowner or condominium association fees, as well as closing costs, including but not limited to brokerage commissions, realty transfer fee and attorney's fees may exceed the purchase price or net proceeds from the sale of this property. Therefore, Buyer and Seller acknowledge and agree that this contract is contingent upon approval of its terms and of a "short sale" from the Seller's lenders, judgment creditors, or other lien holders of a short sale, which means that said lien holders would release their liens on the property for less than the amount they are owed. Seller shall submit the Agreement of Sale to all third parties who have a lien against the property for their review and approval, but Seller cannot guarantee the approval or timeliness of rejection or acceptance by the lien holder(s). If the lien holders do not approve the short sale within ninety (90) days after the execution of this agreement, either party may cancel this contract, or the parties may agree to extend that deadline. If this contract is canceled, all deposit monies shall be returned to the Buyer and neither party shall have further obligation to each other.

19. All other terms and conditions of the original Agreement of Sale shall remain in full force and effect. Where there is a conflict between the original contract of sale and this Addendum, this Addendum will supersede. The original Agreement of Sale is considered void without this attached addendum.

Witness:

Date:

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

SELLER

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

SELLER

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

BUYER

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

BUYER