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CALIFORNIA ASSOCIATION OF REALTORS®

SHORT SALE ADDENDUM

(C.A.R. Form SSA, Revised 6/25)

This is an addendum to the Purchase Agreement, OR ☐ Counter Offer, ☐ Other _____ ("Agreement"), dated _____, on property known as ***29751 CROMWELL AVE, VAL VERDE, CA 91384 4611*** ("Property"), between _____ ("Buyer") and ***Isaac Sanchez, Celeste Monroy*** ("Seller"). Buyer and Seller are referred to as the "Parties."

1. SHORT SALE EXPLANATION:

A. WHAT IS A SHORT SALE: A short sale is the name used to describe a real estate transaction where the seller's lender(s) agree to allow the property owner to sell the property for less than the amount of the loan(s) secured by the property. The consent of a seller's lender(s) is necessary because without it there would not be enough money from the sale to pay off the lender(s) in full and to pay other costs of the sale. As a result, the lender's lien(s) would remain on title and a seller would be unable to transfer title to a buyer free of monetary liens. (Properties worth less than the amount owed to the secured lender(s) are often referred to as being "underwater" or distressed properties).

B. BUYER CONSIDERATIONS: Short sales are often difficult transactions taking considerably longer than a typical real estate transaction to complete. There is no guarantee that the lender or lenders will agree to the terms of the purchase offer or that they will respond in any timely fashion or even respond at all. There is no obligation of a seller or a buyer to agree to any terms proposed by the lender as a condition of releasing the lien or the debt on the property. Buyer may expend money on inspections, loan applications, escrow fees and other costs that they will not be able to recover from anyone if the lender does not approve the transaction. Buyers may also have difficulty obtaining the return of their deposit in escrow, if a seller becomes noncommunicative during the short sale process. Generally, sellers also have the right to continue to give offers to their lender(s) even if they have a contract with an existing buyer. Brokers cannot give any assurances as to what will happen. Buyer is strongly cautioned that any undisclosed and unapproved payment to junior lienholders or to seller or to outside third party negotiators may be a form of lender fraud. Buyer is also strongly cautioned that writing offers on more than one short sale property with the intent to purchase only one such property could be misrepresentation giving rise to legal claims by a seller including a claim for the buyer's deposit.

2. SHORT SALE APPROVAL:

A. This Agreement is contingent upon Seller's receipt of and Delivery to Buyer of a Seller-approved written consent ("Short Sale Lenders' Consent") to the Agreement from all existing secured lenders and lienholders ("Short Sale Lenders"), by 5:00 PM no later than 45 (or ☐ ____) Days after Acceptance (or ☐ on _____ (date) ("Short Sale Contingency Date"). If Buyer or Seller cancels the Agreement prior to the Short Sale Contingency Date, that Party may be in breach of the Agreement unless the cancellation is made pursuant to some other paragraph in this addendum or in the Agreement, whether or not time periods in the Agreement have commenced.

B. Short Sale Lenders' Consent means that all Short Sale Lenders shall collectively agree to reduce their respective loan balances by an amount sufficient to permit the proceeds from the sale of the Property to pay the existing balances on loans secured by the Property, real property taxes, brokerage compensation, closing costs, and other monetary obligations the Agreement requires Seller to pay at Close Of Escrow (including, but not limited to, escrow charges, title charges, documentary transfer taxes, prorations, retrofit costs, Homeowners Association Fees and Repairs) without requiring Seller to place any funds into escrow or have any continuing obligation to Short Sale Lenders, approved by Seller prior to Delivery to Buyer.

C. (i) Seller shall Deliver to Buyer a copy of Short Sale Lenders' Consent or term sheet(s) within 3 (or ☐ ____) Days after receipt and approval by Seller. **(ii)** Seller's presentation to Buyer of Short Sale Lenders' Consent satisfying **paragraph 2B** removes the contingency in **paragraph 2A**.

D. If by the Short Sale Contingency Date, **(i)** Seller has not received Short Sale Lenders' Consent satisfying **paragraph 2B**, Seller may in writing cancel the Agreement, or **(ii)** Buyer has not received a copy of Short Sale Lenders' Consent satisfying **paragraph 2B**, Buyer may cancel the Agreement in writing. In either case, Buyer shall be entitled to return of any remaining deposit delivered to escrow.

E. Seller shall reasonably cooperate with existing Short Sale Lenders in the short sale process, but neither Seller nor Buyer is obligated to change the terms of their Agreement to satisfy Short Sale Lenders' consent or term sheet(s).

F. If Short Sale Lenders' written consent or term sheet(s) provided to Seller require changes to the Agreement in order to satisfy the terms of **paragraph 2B**, **(i)** neither Buyer nor Seller shall be obligated to continue negotiations to satisfy any of the requirements of the term sheet(s) **(ii)** either Party may in writing cancel the Agreement and **(iii)** Seller is advised to seek legal, accounting and tax advice before agreeing to any such changes. Both Parties must agree in writing to the changes to the written consent or term sheet(s), before continuing under the terms of the Agreement. If the Agreement is cancelled pursuant to this paragraph, Buyer shall be entitled to return of any remaining deposit delivered to escrow.

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Buyer's Initials _____/_____ Seller's Initials IS / CM

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3. **TIME PERIODS:** Time periods in the Agreement for inspections, contingencies, covenants, and other obligations: **(i)** shall begin the Day after Seller Delivers to Buyer Short Sale Lenders' Consent satisfying **paragraph 2B** and **2F**. However, time periods for providing pre-approval/pre-qualification letters and verification of down payment and closing costs shall nonetheless begin as otherwise specified in the Agreement; or **(ii)** (if checked) ☐ shall begin as specified in the Agreement.
4. **BUYER'S DEPOSIT CHECK:** Buyer's deposit check shall be Delivered to escrow within: **(i)** 3 business days after Seller Delivers to Buyer Short Sale Lenders' Consent satisfying **paragraph 2B** and **2F**, or **(ii)** (if checked) ☐ as specified in the Agreement.
5. **NO ASSURANCE OF LENDER APPROVAL:** Parties understand that Short Sale Lenders: **(i)** are not obligated to give consent to a short sale; **(ii)** may require Seller to forward any other offer received; and **(iii)** may give consent to other offers. Additionally, Short Sale Lenders may require that, in order to obtain their approval for a short sale, some terms of the Agreement, such as the Close of Escrow, be amended or that Seller sign a personal note or some other obligation for all or a portion of the amount of the secured debt reduction. Parties do not have to agree to any of Short Sale Lenders' proposed terms. Buyer, Seller and Brokers do not have control over whether Short Sale Lenders will consent to a short sale, or control over any act, omission, or decision by any Short Sale Lender in the short sale process.
6. **BUYER AND SELLER COSTS:** Parties acknowledge that each of them may incur costs in connection with rights or obligations under the Agreement. These costs may include, but are not limited to, payments for loan applications, inspections, appraisals, and other reports. Such costs will be the sole responsibility of the Party incurring them if Short Sale Lenders do not consent to the transaction or either Party cancels the transaction pursuant to the Agreement.
7. **OTHER OFFERS:** Unless otherwise agreed in writing, after Buyer's offer has been accepted by Seller, **(i)** Seller has the right to continue to market the Property for back-up offers; **(ii)** Seller has the right to accept back-up offers (C.A.R. Form BUO), and subject to Short Sale Lender(s) requirements present to Short Sale Lender(s) any accepted back-up offers that are received; and **(iii)** Seller shall notify buyer when any accepted back-up offers, are presented to Short Sale Lender(s).
8. **CREDIT, LEGAL AND TAX ADVICE:** Seller is informed that a short sale may have credit or legal consequences and may result in taxable income to Seller. **Seller is advised to seek advice from a qualified California real estate and tax attorney, certified public accountant or other expert regarding such potential consequences of a short sale.**

By signing below, Buyer and Seller acknowledge that each has received a copy of this Short Sale Addendum, and each has read and understands its terms.

Buyer _____ Date _____

Buyer _____ Date _____

Seller Authentisign Isaac Sanchez ***Isaac Sanchez*** Date 09/19/2026

Seller Celeste Monroy ***Celeste Monroy*** Date 09/20/2026

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