

ESCALATION ADDENDUM

This Addendum is made on _____, to a sales contract offer ("Contract") dated _____
Between _____ ("Purchaser") and _____ ("Seller") for the purchase and
sale of the Property: _____
The parties agree that this Contract is modified as follows:

If, before the ratification of this Contract, the Seller receives one or more additional written bona fide offers to purchase the Property with terms acceptable to the Seller ("Other Offer(s)"), and from which the Seller would receive a Net equal to or greater than the Net reflected in this offer, then the Sales Price of this Contract will automatically increase to an amount that generates a Net to the Seller equal to or greater than the Net from the Other Offer(s) \$ _____ above any Other Offer's Net to Seller, not to exceed a maximum Sales Price of \$ _____. If the Other Offers include escalation clauses, this automatic increase will be applied to the highest escalated Net from the competing escalation addenda. In this Addendum, the term "Net" is defined as the Sales Price minus all Seller concessions.

Must select only one of the options:

☐ **Option #1 - Waives Appraisal Valuation** - If the lender's appraisal is less than the Sales Price, the Purchaser agrees to proceed with the Settlement regardless of the appraisal amount. The Purchaser agrees to pay the Sales Price from: (i) loan proceeds provided by the lender based on the appraisal, and (ii) any required excess amount in cash from a source acceptable to the lender. If Settlement does not occur due to the Purchaser's failure to comply with the terms of this paragraph, the Purchaser will be in default. This paragraph does not apply if VA or FHA financing is used and should NOT be selected in that case **OR**

☐ **Option #2 - Retains Appraisal** - The appraisal language from the above referenced Contract remains fully enforceable and in effect.

Seller shall provide to Purchaser a complete copy of Other Offer (Purchaser name redacted) used to justify the escalated sales price with this Addendum ESCALATED SALES PRICE: \$ _____

Terms of Other Offer (to be completed by Seller):

Offer Date: _____ **Sales Price:** \$ _____

Selling Company: _____ **Selling Agent:** _____

Total Concessions: \$ _____ **Net:** \$ _____.

Any changes to the Sales Price under this Addendum will become effective and binding on both the Seller and Purchaser upon ratification of this Contract and this Addendum at the escalated Sales Price stated above. Both the Purchaser and Seller agree to initial these changes in the PRICE AND SPECIFIED FINANCING section of this Contract. The Purchaser has made this offer voluntarily and at their own discretion. Both the Purchaser and Seller agree to hold the agents and their respective Brokers harmless in relation to this Sales Price negotiation. Having read and understood the above, the undersigned hereby ratify, accept, approve, confirm, and acknowledge that this forms part of our Contract.

SELLER:

PURCHASER:

_____/_____
Date Signature

_____/_____
Date Signature

SELLER:

PURCHASER:

_____/_____
Date Signature

_____/_____
Date Signature