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

Must select only one of the options:

☐ **Option #1 – Waives Appraisal Valuation** – If the lender's appraisal is less than Sales Price, Purchaser agrees to proceed to Settlement without regard to the amount of the lender's appraisal. Purchaser agrees to pay the Sales Price from: (i) loan proceeds provided by lender on the basis of such appraisal, and (ii) any required excess amount in cash from a source acceptable to the lender. If Settlement does not occur due to Purchaser's failure to comply with the terms of this paragraph, Purchaser shall be in default. If VA or FHA financing is used, this paragraph is not applicable and shall NOT be selected **OR**

☐ **Option #2 – Retains Appraisal –** The appraisal language from the above referenced Contract remains in full force and effect.

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

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

Purchaser: _____	**Offer Date:** _____
Buyer's Brokerage: _____	**Buyer's Agent:** _____
Sales Price: $_____	**Seller Subsidies:** $_____
Net: $_____	**Seller-Paid Buyer's Brokerage Compensation:** $_____

Any changes in Sales Price under this Addendum will be effective and binding upon Seller and Purchaser upon ratification of this Contract and this Addendum at the above escalated Sales Price.

Purchaser and Seller agree to initial these changes in the PRICE AND SPECIFIED FINANCING paragraph of this Contract upon request by either party. Purchaser has made this offer of his/her own volition and discretion. Purchaser and Seller agree to hold agents and their respective Brokers harmless with regard to this Sales Price negotiation. Having read and understood the foregoing, we the undersigned, hereby ratify, accept, approve, confirm and acknowledge the same to be a part of our Contract.

SELLER: **PURCHASER:**

_____ / _____   _____ / _____
Date   Signature   Date   Signature

_____ / _____   _____ / _____
Date   Signature   Date   Signature