



Champaign County Association of REALTORS®
Escalation Addendum



This Escalation Addendum ("Addendum") is entered into by and between _____ (collectively, "Buyer") and _____ (collectively, "Seller") and relates to the real estate commonly known as _____ ("Premises").

1. Defined Terms:

- a. For the purposes of this Addendum, "Purchase Price" shall mean the purchase price set forth in the applicable offer, less any closing cost credit to Buyer set forth in such offer, and less any other closing costs customarily paid by Buyer in the County in which the Property is located but which are to be paid by Seller pursuant to the terms of such offer.
- b. For the purposes of this Addendum, "Final Purchase Price" shall mean the purchase price set forth in Section 3(A) of the Contract, as adjusted pursuant to the terms of this Addendum.

2. Escalation Terms: The following terms will apply to increase the Purchase Price in the Contract:

- a. **Escalating Factor:** In the event that Seller receives one or more additional bona fide offers to purchase the Premises which results in a Purchase Price equal to or greater than the Purchase Price set forth under the initial Contract, then the Purchase Price stated in the initial Contract shall automatically increase ("Escalation") to an amount of \$ _____ above the next highest Purchase Price of competing offers, not to exceed the Final Purchase Price of \$ _____.
- b. **Documentation:** In the event that other offers cause the Escalation of the Purchase Price set forth under the initial Contract, Seller agrees to provide Buyer with such reasonable documentation to exhibit the Escalation.
- c. **Multiple Escalations:** Buyer agrees and understands that the Escalation of the Contract and the escalating factors of other offers may result in multiple escalations and, in some cases, Escalation to the Final Purchase Price.

3. Escalation Increase Procedure: If the Contract indicates Buyer intends to finance a portion of the Final Purchase Price and this Addendum causes an Escalation under the Contract:

- The loan amount provided for in the initial Contract shall remain the same, and Buyer shall pay any increase in cash at the time of settlement, or
- The down payment amount provided for in the initial Contract shall remain the same, and any increase shall be added to the loan amount, or
- The loan amount provided for in the initial Contract shall automatically increase to be _____ % of the escalated Final Purchase of the Property, or
- The loan amount shall not exceed \$ _____ and Buyer shall pay any amount of the increase in the Final Purchase Price which is not included in the loan amount in cash at the time of settlement.

4. Acceptance of Counteroffer: In the event Seller agrees to accept the Final Purchase Price pursuant to this Addendum, Seller will submit to Buyer a copy of the Contract, with the Final Purchase Price adjusted according to the Escalation provision contained herein and which Buyer will be obligated to initial and/or counter sign as may be required, although failure to do so will not affect the validity of the Contract (as modified by this Addendum) with the Final Purchase Price.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date below.

Sellers' Signatures:

Date:

Buyers' Signatures:

Date: