ESCALATION ADDENDUM TO RESIDENTIAL PURCHASE CONTRACT

THIS IS PART OF A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, WE RECOMMEND CONSULTING AN ATTORNEY BEFORE SIGNING.

1. This document is an addendum to the Residential Purchase Contract (Contract) dated _____ between Seller _____ and Buyer _____ for the sale and purchase of Property known as _____ located in the city, village or town of_____in_____County, State of New York.

The following terms are incorporated into the above referenced Contract and shall supersede any terms to the contrary contained in said Contract.

2. The following terms will apply to increase the amount of the Purchase Price in the Contract:

A. In the event that Seller receives one or more additional bona fide written offers (Offers) to purchase the Property with the terms acceptable to Seller, but which result in net proceeds of sale payable to the Seller, defined as Purchase Price less seller concessions and other credits to Buyer and Seller's compensation to the buyer broker, if applicable, equal to or greater than the net proceeds of sale payable to the Seller under the Contract, then the Purchase Price stated in the Contract shall automatically increase to an amount which generates net proceeds of sale to Seller equal to $ _____ (Escalation Amount) in excess of the highest net proceeds of sales generated in such other Offers.

B. The Purchase Price under this Contract shall not exceed $_____ (Escalation Cap).

C. If other Offers cause the escalation of the Purchases Price in the Contract, the Seller will provide the Buyer with a copy of sufficient documentation to justify the Purchase Price increase.

D. The Buyer acknowledges that the Escalation Amount of this Contract and the Escalation Amount of other Offers may result in multiple escalations and could increase the Purchase Price to the Escalation Cap.

3. If the Buyer will be financing a portion of the Purchase Price and this Escalation Addendum causes an increase in the Purchase Price under this Contract, (check one):

◯ The loan amount provided for in this Contract shall remain the same, and the Buyer shall pay any increase of the Purchase Price in cash, certified check, bank draft or attorney escrow check or _____ at closing; or

◯ The mortgage loan amount provided for in this Contract shall automatically increase to be _____% of the new Purchase Price of the Property; or

◯ The mortgage loan amount shall not exceed $_____ and the Buyer shall pay any amount of the increase in Purchase Price which is not included in the loan amount in in cash, certified check, bank draft or attorney escrow check or _____ at closing.

4. The terms contained herein are for the use and purpose of obtaining a mutually agreeable Purchase Price and shall be deemed satisfied and will terminate upon ratification of a Contract for the above-captioned property.

5. Buyer acknowledges and affirms that the Contract and this Escalation Addendum to the Contract has been made of Buyers own volition and at Buyers own discretion and both Buyer and Seller agree to hold Brokers and their agents harmless with regard to negotiation of the Purchase Price. If other Offers are presented on this Property, Buyer acknowledges that a copy of the documents constituting this Contract may be provided to the parties making such other Offers.

6. If the Seller agrees to accept a Purchase Price within the terms of this Contract and pursuant to this Escalation Addendum, the Seller will submit to the Buyer a copy of the Contract, with the Purchase Price adjusted according to the escalation terms contained herein, having been fully executed by the Seller. Acceptance will occur upon counter signature and initial of the modified terms of the Contract, by the Buyer, and delivery to the Seller of the fully ratified Contract.

Dated: _____ Time:_____

_____
Buyer

_____
Buyer

Dated: _____Time:_____

_____
Seller

_____
Seller

_____Seller's Initials _____

_____Buyer's Initials _____

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