



THREE RIVERS ASSOCIATION OF REALTORS®



PRICE ESCALATION CLAUSE

The following is part of the Purchase and Sale Agreement dated _____, 20____
 between _____ (Buyer)
 and _____ (Seller)
 concerning _____ (the Property).

NOTICE TO BUYER: By including this Clause in the Agreement, you agree to have your purchase price increased if the Seller receives a higher offer from another buyer (the "Competing Offer"). This Clause does not assure that the Competing Offer used to establish your purchase price will, in all ways, be comparable to yours. You are cautioned to offer no more than you are willing to pay for the Property. You are further advised that the Seller or Seller's broker(s) may disclose the terms of your offer, including this Clause to others.

- PURCHASE PRICE.** If the Seller receives a Competing Offer for the Property prior to accepting this offer, with a Net Price greater than the Net Price of this offer, then the Net Price of this offer shall be increased to \$_____ more than the Net Price of the Competing Offer. In no event, however, shall the new purchase price of this offer exceed \$_____. The term "Net Price" means the stated purchase price (or the maximum price if the Competing Offer contains a price escalation clause) less any price adjustments such as credits to Buyer for closing costs.
- COMPETING PRICE.** A Competing Offer must be a bona fide, arm's length, written offer on ***** or similar forms, containing all material terms necessary for an enforceable agreement which (a) requires the full purchase price to be paid in cash at closing; (b) provides for closing no later than _____ days (60 days if not filled in) from the date of this offer; and (c) is not contingent on the sale of the buyer's property (i.e. no ***** Form ***** or equivalent_). A Competing Offer may include other conditions, such as a buyer's pending sale of property contingency (i.e. ***** Form ***** or equivalent).
- SELLER'S ACCEPTANCE.** Seller's acceptance and escalation of this offer shall not be effective unless it is accompanied by a complete copy of any Compering Offer used to escalate the purchase price, including any escalation provision.
- NEW PURCHASE PRICE WORKSHEET.** The following formula is provided to assist the parties in calculating the new purchase price. The accuracy or completeness of the calculation shall not render this Agreement unenforceable, and to the extent the following calculations are inconsistent with the escalation provisions above, the escalation provisions shall control.

Purchase Price of Competing Offer	\$ _____
(or the maximum purchase price of the Competing Offer If it contains an escalation provision)	
Less Credits to Buyer in Competing Offer	\$ _____
Competing Offer Net Purchase Price	\$ _____
<i>Plus</i> Escalation Amount (this offer)	\$ _____
<i>Plus</i> Any Credits to Buyer (this offer)	\$ _____
New Purchase Price (this offer)	\$ _____

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
 BUYER: _____ Date: _____ SELLER: _____ Date: _____