

PRICE ESCALATION ADDENDUM TO AGREEMENT OF SALE

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

1 PROPERTY _____
2 SELLER _____
3 BUYER _____
4 DATE OF AGREEMENT _____

- 1. This Addendum is presented to Seller as part of Buyer's offer to purchase Seller's Property. Should Seller accept Buyer's offer, Buyer and Seller will have entered into a binding agreement under the terms of the Agreement and/or other addenda, with the exception of any terms addressed in this Addendum.
2. If, prior to Seller's acceptance of Buyer's offer to purchase, Seller receives from another prospective purchaser a bona fide offer to purchase the Property ("Competing Offer"), with terms acceptable to Seller and a Net Purchase Price (the Purchase Price minus any identified Seller assist or Seller financial concessions) higher than the Net Purchase Price offered by Buyer, Buyer agrees that the Purchase Price of Buyer's offer is increased so that the Net Purchase Price is \$ _____ higher than the Net Purchase Price in the Competing Offer(s), up to a maximum Purchase Price of \$ _____. If one or more Competing Offers include similar price escalation terms, this automatic increase will be applied to the maximum escalated sales price of the highest competing escalation term, not to exceed the maximum Purchase Price stated above.
3. If the Purchase Price is increased based on the terms of Paragraph 2 above, the terms of the Mortgage Contingency Paragraph in the Agreement of Sale are changed as follows (check all that apply):
- [] The Mortgage Contingency is waived. This sale is NOT contingent on mortgage financing, although Buyer may still obtain mortgage financing.
- [] The Loan Amount stated in the Mortgage Contingency is increased by the amount necessary to keep the Loan-to-Value Ratio (a percentage derived by dividing the total value of loans for the property by the Purchase Price) the same as that set forth in the Mortgage Contingency Paragraph of the Agreement of Sale, with the remainder paid in cash at settlement.
- [] The first \$ _____ of the difference between the original Purchase Price and the new Purchase Price will be paid in cash at settlement; the remaining difference will be added to the loan amount.
- [] Within _____ days of the Execution Date of the Agreement, Buyer will deliver to Seller a written pre-approval letter from the lender identified in the Mortgage Contingency Paragraph (or, if none is stated, from a reputable lender) for an amount equal to or greater than the increased loan amount. If Buyer fails to provide written pre-approval within the stated time period, Seller may terminate the Agreement in writing.
4. [] An Appraisal Contingency Addendum is attached.
5. Seller will provide a copy of the Competing Offer to Buyer no later than the time Seller returns a copy of the executed Agreement to Buyer. Seller may remove the name of the other prospective purchaser, but may not remove any financial terms, including the Purchase Price or any Seller assist or other Seller financial concessions.
6. Seller will fill in the new Purchase Price, as calculated based on the terms of Paragraph 2, between Buyer's and Seller's signatures below. Buyer understands and acknowledges that no further signature or initials are required on this form to have an executed Addendum. At the request of Seller, Buyer's lender, or any of the real estate licensees involved in the transaction, Buyer agrees to sign or initial, and date the Agreement of Sale to reflect any increase in the Purchase Price and/or any other changes in terms made in accordance with this Addendum. Buyer's refusal to sign or initial any changes made in accordance with this addendum will result in Buyer being in default under the terms of the Agreement of Sale. Changing the Purchase Price or other terms in the already executed Agreement of Sale to reflect any changes made by this Addendum does not change the Execution Date of the Agreement of Sale.

41 All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

43 WITNESS _____ BUYER _____ DATE _____
44 WITNESS _____ BUYER _____ DATE _____
45 WITNESS _____ BUYER _____ DATE _____

- 47 (A) The Purchase Price of the Agreement of Sale is increased from \$ _____ to \$ _____ pursuant to the terms set forth in paragraph 2 above. A copy of the Competing Offer is attached.
48 (B) The Mortgage Contingency paragraph of the Agreement of Sale is modified to reflect the changes made in paragraph 3 above.
49 (C) Seller has accepted Buyer's offer and has executed the Agreement.

52 WITNESS _____ SELLER _____ DATE _____
53 WITNESS _____ SELLER _____ DATE _____
54 WITNESS _____ SELLER _____ DATE _____