



# ESCALATION CLAUSE ACKNOWLEDGEMENT

To be completed by Seller(s) prior to accepting an escalation clause addendum

## 1. Seller Agrees and Acknowledges:

- The submission of an Escalation Clause with an offer **does not** force you to accept such offer by a Buyer.
- You may receive multiple Other Offers with Escalation Clauses resulting in another offer having a higher net sales price.
- By submitting the Escalation Clause Addendum, Buyer is informing Seller that Buyer is willing to pay more than the sales price set forth in the Offer. Accordingly, Seller may reject the terms set forth in the Offer and/or Escalation Clause Addendum and may counter-offer with a sales price equal to or greater than the Cap set forth in the Escalation Clause Addendum.
- Seller may reject the Offer and counter-offer with a sales price equal to or greater than the Cap, even if Seller received no Other Offers.
- Accepting an offer with an escalation clause will typically result in a sales price higher than the fair market value of the home as determined by an appraiser. If the home does not appraise there are certain risks to the Seller including but not limited to:
  - Buyer's inability to provide cash difference at time of closing in the amount greater than the appraised value
  - Buyer's unwillingness to purchase the home for a price greater than the appraised value
  - If an Appraisal addendum is used, then regardless of sales price, Buyer is only obligated to the Appraised value stated

**Seller(s)**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date