ESCALATION CLAUSE
Form Approved by Springfield Board of REALTORS®
(ONLY TO BE USED By a REALTOR® MEMBER)

INSTRUCTIONS FOR ESCALATION CLAUSE

The intent of the Escalation Clause is to provide SBOR approved language when utilizing an escalation clause within a real estate offer. Explain to the Purchaser/Purchaser(s) the option of utilizing the Escalation Clause to determine if it is appropriate when submitting an offer.

Considerations may include:

• Regarding Paragraph 1:
   o Bona Fide Offers could include contingent upon home sale offers.
   o Insert the maximum amount the buyer is willing to pay above the highest third-party offer.
   o Seller paid concessions (i.e.: purchaser's closing costs, home warranty).

• Regarding Paragraph 2:
   o Purchase price is the Purchaser's Highest and Best Offer.
   o Highest purchase price does not always mean most desirable offer! Regardless of the purchase price the seller/seller(s) may select any other offer based upon various terms or conditions

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Property Address: _____ Date: _____

Buyer offers $_____ as the purchase price. The following terms shall apply to this offer to increase the purchase price.

1. If Seller, prior to this offer or during the acceptance period of this offer, receives any other bona fide offers with a purchase price equal to or greater than Purchaser's offer, the purchase price of this offer shall automatically increase to $_____ more than the highest third party offer.

All offers are calculated less any seller-paid concessions.

2. The purchase price under this offer shall, in no event, exceed $_____ which is the maximum amount of this offer as escalated.

3. To complete the escalation of the purchase price, Seller shall submit a counteroffer signed by Seller with the escalated purchase price.

4. Seller shall attach to the counteroffer all pages relevant to purchase price and the signature page of any third-party offer used by the Seller to escalate the price.

5. Once the parties are in contract, the escalation provisions are terminated and will have no further legal effect.

_____   _____
Purchaser   Seller

_____   _____
Purchaser   Seller

SBOR Form #109   4/14/2021