

INSURANCE CONTINGENCY ADDENDUM

To Agreement dated _____, between _____, Seller and _____ Buyer, concerning property commonly known as _____.

Because of a variety of factors, the availability of hazard and property insurance has become problematic in many areas. Insurance companies may not issue certain types of coverage. For example, hazard insurance may not be available if the property has been the subject of a claim for damage resulting from water intrusion or mold within the last several years. Some insurers require that the property be altered, repaired, or retrofitted to minimize possible mold contamination, water intrusion or earthquake damage before insurance will be issued. Therefore, Buyers should arrange for appropriate homeowner's insurance immediately upon opening escrow.

It is agreed as follows:

1. Buyer will have **fifteen (15)** (or _____) **days** from execution of this Addendum to secure a commitment from an insurance company to provide insurance coverage reasonably satisfactory to Buyer and to Buyer's lender. In the event that Buyer cannot, in good faith, secure such coverage within the above time period, Buyer may terminate the purchase agreement.
2. In the event that the Buyer's selected insurer requires that the property be inspected as a condition of issuing the insurance policy, all expenses for such inspection will be paid by Buyer.
3. Should the insurer require the property to be altered, repaired, or retrofitted, Buyer and Seller will attempt to agree as to the manner in which such costs will be shared. If Buyer and Seller cannot reach an agreement **within five (5)** (or _____) **days** of receipt of insurer's conditions, either party may terminate the purchase agreement.

A real estate broker or agent is not qualified to advise on insurance and cannot guarantee availability of coverage.

This Addendum, upon its execution by both parties, is made a part of the above Agreement.

Seller _____ Date _____

Seller _____ Date _____

Buyer _____ Date _____

Buyer _____ Date _____

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