

HOMEOWNER INSURANCE ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated _____ 1

between _____ ("Buyer") 2
Buyer _____ Buyer
and _____ ("Seller") 3
Seller _____ Seller
concerning _____ ("the Property"). 4
Address _____ City _____ State _____ Zip _____

Notice to Buyer Concerning Homeowners Insurance. The availability and cost of homeowners insurance depends 5
on a number of factors, including Buyer's personal insurance, Buyer's financial and credit history, the condition of the 6
Property, Buyer's claim history, and the claims history for the Property. At the time of application, most insurance 7
companies will only issue a binder, which is a temporary commitment to provide insurance and not a guarantee that 8
a policy will be issued. After issuing the binder, the insurance company will take additional time to make a final 9
decision about issuing a policy and the amount of the insurance premium. Accordingly, it is important for Buyer to 10
apply for insurance as early as possible. 11

Homeowners Insurance Contingency/Application. This Agreement is conditioned upon Buyer obtaining a binder 12
for a standard policy of homeowners insurance, together with any other property insurance required by Buyer's 13
lender, at an annual premium not to exceed ½ of 1% of the purchase price, with a deductible not to exceed \$1000, 14
exclusive of all additional endorsements, declarations and riders (e.g., art, jewelry, earthquake, etc.). Buyer shall 15
make application for insurance within _____ days (5 days, if not filled in) of mutual acceptance and if Buyer fails to 16
timely make application, then this contingency shall be deemed waived. This insurance contingency shall be deemed 17
satisfied (waived), unless within _____ days (15 days, if not filled in) of mutual acceptance, Buyer gives notice of 18
inability to obtain a binder on the terms set forth above. If Buyer gives such notice, then this Agreement shall 19
terminate and the Earnest Money shall be refunded to Buyer. 20

Buyer's Initials _____ Date _____ Buyer's Initials _____ Date _____ Seller's Initials _____ Date _____ Seller's Initials _____ Date _____