

INSPECTION CONTINGENCY ADDENDUM

THIS INSPECTION CONTINGENCY ADDENDUM (this “**Addendum**”) is made and entered into as of _____, and is by and between _____, with a mailing address of _____ (“**Buyer**”), and _____, with a mailing address of _____ (“**Seller**”).

RECITALS

WHEREAS, Buyer and Seller are parties to that certain contract or agreement dated as of _____ (the “**Agreement**”) for the purchase and sale of real estate, for the property known by street address as _____ (the “**Property**”)

WHEREAS, Buyer and Seller agree that Buyer shall have an inspection contingency under the Agreement, in accordance with the terms and provisions of this Addendum.

NOW, THEREFORE, in consideration of the foregoing, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Inspection Contingency. Notwithstanding any term or provision of the Agreement to the contrary, the obligation of Buyer to purchase the Property from Seller is contingent upon the satisfaction, or waiver in writing by Buyer, of the following general feasibility contingency.

Pursuant to this contingency, Seller hereby grants to Buyer, its engineers, consultants and agents, a license to go upon the Property for the purpose of making inspections and conducting feasibility studies with respect to the Property as deemed appropriate by Buyer in Buyer’s sole discretion, including, without limitation, physical site inspections and utilities, drainage, soil tests, hazardous waste studies including a Phase I and a Phase II as deemed appropriate, zoning studies, flood control, appraisal, marketability and economic feasibility studies (the “**Feasibility Study**”). Buyer shall diligently pursue its Feasibility Study and shall have the right to conduct its Feasibility Study as Buyer deems appropriate in Buyer’s sole discretion. Unless otherwise mutually agreed by the parties, Buyer shall bear all costs and expense of the Feasibility Study.

2. Buyer’s Termination Right. Buyer shall have the right to terminate the Agreement in Buyer’s sole discretion for any reason or no reason on or prior to 5:00 p.m., Property-local time on _____ (the “**Feasibility Deadline**”). In order to so terminate the Agreement, Buyer shall provide written notice of termination to Seller and the escrow agent for the transaction (if any) prior to the Feasibility Deadline. If Buyer timely terminates the Agreement as provided herein, Buyer shall receive a full refund of any and all earnest money deposits (the “**Deposit**”) in connection with the Agreement, and in such an event Seller shall provide instruction to any escrow agent to release any such Deposit to Buyer. If Buyer fails to so terminate the Agreement by the Feasibility Deadline, Buyer shall be deemed to have



waived its right to terminate the Agreement pursuant to this Addendum Section 2 and accordingly shall not be entitled a refund of the Deposit pursuant to this Addendum Section 2.

3. Insurance Coverage. Throughout the Feasibility Study, Buyer shall maintain insurance, which policy shall name Seller as an additional insured, for comprehensive commercial general liability for personal injury (including wrongful death) and damage to property, covering any act or omission by Buyer and its agents and invitees in connection with the Feasibility Study, with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 per occurrence, or in a different amount satisfactory to Seller.

4. Indemnity. Buyer shall indemnify, defend and hold harmless Seller for, from, and against all injuries, losses, liens, claims, demands, judgments, liabilities, damages, costs, and expenses sustained by Seller which directly result from the Feasibility Study, excluding, however, any of the foregoing that are proximately caused by the sole, contributory or comparative negligence or willful misconduct of Seller, or Seller's agents or invitees.

5. Documents and Other Items. During the Feasibility Period, Seller shall provide Buyer with true and correct copies of all documents and other items in the Seller's possession or that Seller may obtain with reasonable effort with respect to the Property, including, without limitation, surveys, title policies, plans and specifications, notices, correspondence, environmental reports, licenses, permits, and approvals. In the event Buyer terminates the Agreement pursuant to Section 2 of this Addendum, then, at Seller's request, Buyer shall provide Seller with copies of the reports and studies obtained or commissioned by Buyer in connection with the Feasibility Study.

6. Miscellaneous. This Addendum shall be governed by, and construed in accordance with, the laws of the jurisdiction governing the Agreement. This Addendum may be executed simultaneously or in counterparts, each of which counterpart shall be deemed an original, but all of which together shall constitute one and the same Addendum. Facsimile signatures and/or electronically transmitted pdf files of this Addendum are valid and carry the same effect as an original signature. This Addendum shall be deemed a part of the Agreement as if fully set forth therein. Any notice provided under this Addendum shall be provided in the same manner and under the same terms as set forth in the Agreement.



IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth above.

BUYER:

SELLER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

