

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

### **AGENT OWNED- (RESIDENTIAL)**

This endorsement modifies insurance provided under the following:

#### **REAL ESTATE AGENTS ERRORS AND OMISSIONS LIABILITY CERTIFICATE POLICY**

In consideration of the premium charged, Section V, Exclusions N, is deleted in its entirety and replaced with the following:

N. the purchase or sale, leasing or property management of property developed, constructed or owned by:

- (i) An **Insured(s)**; or,
- (ii) Any entity in which the **Insured** has a financial or ownership interest; or,
- (iii) Any entity coming under the same financial or ownership control as an **Insured(s)**.

Notwithstanding the foregoing this exclusion shall not apply if all of the following conditions are met with respect to the property which is the subject of the **Claim(s)**:

1. A written home inspection report is issued by an ASHI, CREIA or NAHI member inspector;
2. A home warranty policy approved by the state in which the property is located is in full force and effect at the time of the closing of escrow;
3. A standard real estate purchase agreement that is approved for use by the state or local real estate board in which the transaction occurred was utilized in the transaction;
4. All state required forms and disclosures, including but not limited to, property transfer disclosure statements and buyer's inspection advisories, are fully completed, signed, and delivered to the buyer(s) and signed or initialed as read and received by the buyer(s);
5. A written disclosure was made by the **Insured** to the buyer(s) that discloses that the **Insured's** has a financial and/or ownership interest in the subject property;
6. The **ClaimShield Disclosure and Advisory Supplement to Purchase Agreement** is delivered to the buyer(s), properly completed and signed/initialed by the buyer(s).

**The deductible applicable to any claim covered under this Section shall be double the per claim deductible shown on the Declarations page and any deductible reduction endorsements shall not apply.**

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Coverage is provided by: **UNDERWRITERS AT LLOYD'S, LONDON**

Date issued:

Authorized Representative:

**ClaimShield DISCLOSURE  
and ADVISORY SUPPLEMENT TO PURCHASE AGREEMENT**

This Supplemental Disclosure and Advisory is made with respect to the Real Estate Purchase Contract dated: \_\_\_\_\_ 20\_\_, by and between the following parties:

\_\_\_\_\_ (Buyer); and

\_\_\_\_\_ (Seller)

For the Real Property located at \_\_\_\_\_ (Property).

The Buyer is strongly advised and urged to take all steps possible to satisfy Buyer's concerns as to the physical conditions as well as the legal status of the Property. This includes, but is not limited to, employing competent, licensed professionals to perform inspections of all conditions of the Property. The following have been provided to, reviewed and recommended to the Buyer as evidenced by the Buyer's agent and Buyer initialing items 1- 13 below. Buyer's initials at each paragraph is an acknowledgment that the Buyer has fully read and understood the contents of this Supplement and Advisory:

1. **Physical Inspection:** (  ) (  ) This is a visual inspection that may reveal unknown conditions. A professional inspector is trained to seek out certain conditions, which may reveal problems as to the physical condition of the Property. It is important that this inspection be performed by a trained and certified inspector. A real estate Agent or Broker does not have this expertise.
2. **Roof Inspection:** (  ) (  ) This inspection should reveal the present condition of the roof, past or current leaks, and the approximate remaining life of the roof. However, any conditions, past or current, that are not visible to the inspector may not be contained in the inspection report. It is recommended that the Buyer have the roof inspected by a licensed roofing contractor. A real estate Agent or Broker does not have this expertise.
3. **Mold:** (  ) (  ) Mold is a common element in many homes. Some mold is harmless but some mold is extremely dangerous. The Buyer has been advised that he/she/it has the right to have the property inspected for Mold, Mildew, Spores and Airborne Bacteria. Real Estate Brokers and Agents are not trained to identify or locate Mold, Spores or Airborne Bacteria. Generally, Physical home inspectors do not report on Mold, Spores and Airborne Bacteria. You are urged to have an environmental inspection by a qualified individual or entity.
4. **Environmental Inspection:** (  ) (  ) Buyers can order an environmental inspection report by a qualified expert. Such inspection may reveal conditions, which may be hazardous to human health. This inspection will also reveal mold, mildew, spores and airborne bacteria, which Real Estate Brokers and Agents are not trained to detect.
5. **Pool Inspection:** (  ) (  ) A pool inspection will state the general current conditions of the pool, but does not necessarily indicate the remaining life of the pool and related systems (pumps, filters, hoses, piping, tubes, motors, etc.) A real estate Agent or Broker is not qualified to inspect and report on pools.

6. **Soils/Geological/Structural Inspection** ( \_\_\_\_ ) ( \_\_\_\_ ) Soil and terrain underneath and adjacent to the Property is susceptible to damage, expansion, contraction, settlement, slippage, subsidence or other conditions. Therefore, a soils/geological/structural inspection by a licensed Geotechnical Engineer is advised to determine if the subject Property may be constructed on filled or improperly compacted soil and to determine the structural integrity and safety of all improvements on the Property. Buyer is advised that some lenders may require inspection by a structural engineer or other expert prior to funding a loan. There are abandoned and active oil and gas fields and toxic waste sites throughout the United States, which may be located at or in the vicinity of the Property. A real estate Agent or Broker is not qualified to inspect for these conditions or problems.
7. **Septic Inspection:** ( \_\_\_\_ )( \_\_\_\_ ) Some properties utilize a septic system instead of a sewer system. It is strongly recommended that the Buyer order a septic inspection ordered to reveal the condition of the septic system. A real estate Agent or Broker is not qualified to inspect for these conditions or problems.
8. **Permits and Zoning:** ( \_\_\_\_ ) ( \_\_\_\_ ) It is extremely important that the Buyer know whether or not the Property and/or structures on the property and/or present or planned uses of the Property are in full compliance with permits, building code compliance, and/or zoning clearances. The status of the Property in this regard is unknown to the agent and broker. Whether construction was performed by the present or previous owner(s) and whether performed by a licensed or unlicensed contractor is unknown to the agents or brokers. The Buyer(s) is advised to investigate these matters. Permits, certificates of occupancy and building code violations may be obtained by a search of the public records at the Department of Building Safety (or similar entity of the applicable municipality) or from an inspection service company that provides such information for a fee.

If there are any structural additions on the Property for which a permit or certificate of occupancy was not obtained or which are not in compliance with applicable codes and other laws, Buyer may be required to incur expenses after the close of escrow to bring the Property up to current codes and other applicable laws or to demolish the subject additions.

Broker and Agent make no representations as to any permits or certificates of occupancy for the Property, regardless of whether provided by the Department of Building and Safety (or similar entity) or another source. Broker and Agent are not qualified to interpret or explain permits, building codes, uses or certificates of occupancy. Buyer should consult with his or her own inspectors or other professional advisors and appropriate governmental authorities regarding permits, building code compliance, and/or zoning clearances.

9. **Square Footage, Lot Size and Boundary Lines:** ( \_\_\_\_ ) ( \_\_\_\_ ) Buyer is aware that the square footage, lot size or boundary lines, represented on the multiple listing and/or advertisements and/or by the Seller are extremely likely to be approximate figures only. Buyer is aware that The Property has not been measured, taped or surveyed for accurate square footage, lot size or boundary lines. The dimensions contained in the legal description of the property may not equal the actual area of the property, and the actual area has not been verified. To determine these issues, the Buyer is advised and urged to employ a licensed civil engineer, appraiser and/or surveyor of Buyer's choice. It is understood by the parties that upon removal of the contingency(s) to the purchase contract for inspections of the Property, the Buyer will be accepting the square footage, lot size and boundary lines that actually exist.