

Inspection Addendum to Sales Contract

Property Address:

Street _____ City _____ State _____ Zip Code _____

FHA Case#: _____

HUD makes no representations or warranties concerning the property condition. As a result, I acknowledge that I am responsible for ensuring that the property, in its current condition, is acceptable to me.

If I enter into a contract to purchase the above referenced property from HUD, I may have a home inspection performed by a qualified inspector to identify **major** defects in the roof, structure, plumbing, electrical and heating systems. I have fifteen (15) calendar days from the day of HUD's acceptance of a sales contract to complete the inspection. Failure to comply with this timeframe may forfeit my right to an inspection with utilities activated. Utilities must be activated in my (Purchaser's) name and may not remain on for more than two (2) days.

Regardless of the test results, I (we) understand fully that neither HUD nor Cityside Management as HUD's Representative, will be responsible for costs associated with nor perform any repairs to the property. If the inspection discloses a major defect, the following provisions will apply:

1) Insured sale:

- a) I may close the sale as scheduled without repairs being performed nor a price reduction or,
- b) I may request termination of the contract with a full refund of the earnest money, provided that Cityside Management, as HUD's Representative concurs with the inspection report. As a condition to having the contract terminated and the earnest money deposit refunded, I agree to have the test completed and to provide my written rejection, with the appropriate documentation, to Cityside Management within fifteen (15) calendar days from the date my sales contract was signed by Cityside Management as HUD's Representative; otherwise, HUD and Cityside Management will assume that the inspection was satisfactory and I will proceed to closing. The cancellation contingency is limited to roof, foundation, defective components within the mechanical systems (electrical, plumbing and heating). Defective kitchen appliances, window air conditioner units, light fixtures, receptacles and switchplate covers, as well as leaky faucets, missing showerheads and other similar defects are not considered in the mechanical systems nor is equipment age or energy efficiency ratings.

2) Uninsured sales: No repairs will be authorized. The inspection will not be a basis for canceling the sale.

The same provisions, as listed above, will also apply if any of the utilities cannot be turned on due to code violations, known defects, utility company policy or if the inspection cannot be completed as the result of a major component defect.

If FHA insured financing is used, the cost of the inspection, up to the maximum amount allowed by HUD, may be financed into the mortgage or included as part of the financing/closing costs figure stated on Line 5 of the sales contract.

I also understand fully and hereby agree to bear all expenses associated with the testing of the systems, including repair of damage and **rewinterization of the property**.

Purchaser's Signature: _____ **Date:** _____

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I agree to coordinate the inspection of this property's systems with Cityside Management. I also agree that I will be present during the inspection and am responsible for any costs incurred by my purchaser(s) associated with the inspection. I also agree to ensure that the property is returned to the same condition as before the inspection. This includes repair of damage and re-winterization of the property when deemed appropriate by Cityside Management. I also agree to notify Cityside Management upon completion of the testing.

Selling Broker's Signature: _____ **Date:** _____