

Inspection Addendum to Sales Contract

FHA Case#: _____

Street _____ City _____ State _____ Zip _____

HUD makes no representations or warranties concerning the subject property's condition. As a result, I acknowledge that I am responsible for ensuring that the property, in its current condition, is acceptable to me. Accordingly, the purchaser hereby acknowledges that a home inspection by a licensed contractor is allowed and encouraged. Purchasers shall have fifteen (15) calendar days from the date of HUD's preliminary acceptance of the bid to conduct, at the purchaser's expense, any inspections, tests or risk assessments desired by the purchaser. This period will run concurrently with the lead-based paint contingency if applicable. To facilitate such inspections, the utilities may be activated by the purchaser at the purchaser's expense for no more than 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. The sale may close as scheduled without repairs being performed nor a price reduction granted or;
2. If the purchaser, prior to expiration of the inspection contingency period, presents written notice of the purchaser's withdrawal from the sales contract due to the discovery of major defects in the property, the purchaser's obligation to purchase the home shall be **terminated. Owner occupant purchasers only shall be entitled to a refund of earnest money**, and only if the purchaser provides a copy of a credible and independent home inspection report from a licensed contractor that identifies serious problems with the property that were not previously identified by Cityside and these conditions will not be corrected by HUD. 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.

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 that I will be responsible for any and all 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: _____