

SALES CONTRACT PACKET





Congratulations on your buyer's bid acceptance!

In order to ensure that we are able to review, approve and execute this contract package, it must be complete and match the accepted bid terms exactly. The following pages are the standard checklist that BestAssets uses to review and approve this package. Please ensure that your submitted package follows the review terms of this checklist. **This package is due to our office with original earnest money funds within 2 business days of acceptance. If the package is not received within 2 business days it will be cancelled.**

BestAssets recommendations in completing and returning this contract package:

- **Utilize the Listing Agent**

The listing agent on this property is available for any and all questions regarding this sales contract and transaction. It is recommended that the assigned listing agent review package before overnighting to ensure the package is complete and can be approved and executed **on a timely basis**.

- **Original Contract and Bid Must match exactly**

70% of all contract revisions (delaying execution of contract) are because the information placed in the bid process on HUDHomeStore.com does not match the contract signed by the buyer. Review the bid and the contract several times before overnighting to BestAssets.

- **Proof of Funds**

There needs to be sufficient documentation that your buyer has the funds to purchase the house for the total sales price. This can be in the form of a lender pre-approval letter, or financial institution statement indicating buyer by name and funds for purchase or a combination of the two.

OVERNIGHT COMPLETE CONTRACT DOCUMENT PACKAGE TO:



**BESTASSETS
ATTN: BID ADMINISTRATOR
12808 W. AIRPORT BLVD., SUITE
260
SUGAR LAND, TEXAS 77478**



Questions?

Daily Agent Question and Answer Call 8:25 CST
US Dial In # 877-643-6951
Participant Passcode 95905230#

Your packet should include:

- Earnest Money Forfeiture Policy
- Important Acknowledgements Regarding the Purchase of a HUD Property
- Selling Agent Accuracy Certification
- Original Sales Contract (HUD Form 9548)
- Conditions of Sale (initialed by buyer(s))
- Electronic Filing of HUD-9548 Contract Addendum
- Owner Occupant Certification Addendum (HUD Form 9548-D) *If Owner Occupant Only*
- Notice to Purchaser(s) Addendum (*If purchasing above list price*)
- Selling Agent Commission Addendum
- Lender's Letter / Pre Approval for Financing / Proof of Funds
- "For Your Protection-Get a Home Inspection" initialed, signed and dated by buyer(s)
- Radon Gas and Mold Notice (HUD Form 9548-E)
- Flood Zone Addendum
 - Please refer to your property on the property listing or bid results (if your bid has been awarded) for downloading.
- Lead Paint Disclosure
 - Only required for properties constructed during or before 1978.
 - Please refer to your property on the property listing or bid results (if your bid has been awarded) for downloading.
- Methamphetamine Disclosure Form for seller (**Minnesota and South Dakota only**)
 - Please refer to your property on the property listing or bid result (if your bid has been awarded) for downloading.
- Utility Activation Form - optional form to assigned Field Service Manager (FSM) Contractor (AMS or First Preston), if applicable – *All funds should be made to the Field Service Management company noted in the listing. (Do not send funds to BestAssets)*
- Original Earnest Money cashier check/money order (*Include actual check in overnight package to Best-Assets*)
 - The checks **must** be certified funds or money order
 - The checks **must** be made payable to **HUD or the buyer**. Ex: *HUD or Jane Smith*
 1. It **cannot** say just HUD
 2. It **cannot** say HUD and Jane Smith
- Bid Confirmation Page from website
- Title Company Assignment Form (MT, ND and WY Only)

Don't Forget the Earnest Money!

Earnest Money must be included with your completed sales contract package and must be for the correct amount designated by the bid price of the property. If the earnest money is not the correct amount, your contract cannot be executed and is subject to cancellation.

If the Bid Amount (purchase price) is \$0 - 50,000, your Earnest Money deposit is \$500. Your EMD should look like:



004485

DATE 9/16/2011

18-8136/0010
001200155

PAY TO THE ORDER OF HUD or Joe Buyer \$ 500

Five Hundred and 00/100 DOLLARS

THIS DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE, WATERMARK AND A THERMOCHROMIC ICON. ABSENCE OF THESE FEATURES WILL INDICATE A COPY

CASHIER'S CHECK VOID AFTER 90 DAYS

@004485 @ 30 108 36 2: 00 200 55 @

If the Bid Amount (purchase price) is \$50,001 & above, your Earnest Money deposit is \$1,000. Your EMD should look like:



004485

DATE 9/16/2011

18-8136/0010
001200155

PAY TO THE ORDER OF HUD or Jane Buyer \$ 1000

One Thousand and 00/100 DOLLARS

THIS DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE, WATERMARK AND A THERMOCHROMIC ICON. ABSENCE OF THESE FEATURES WILL INDICATE A COPY

CASHIER'S CHECK VOID AFTER 90 DAYS

@004485 @ 30 108 36 2: 00 200 55 @

All Vacant Lots: Earnest Money Deposit =
50% of the bid amount

Important Acknowledgements Regarding the Purchase of a HUD Property

FHA Case Number:

Address:

- HUD homes do not follow state or city codes.** It is Buyer's responsibility to verify that the property is in compliance with city or state regulations by calling the city inspector. Buyer(s) is responsible for all costs associated with necessary inspections and/or repairs necessary to bring the property into compliance if violations are discovered.
- Wells and Septic Systems are not guaranteed to be operable.** It is Buyer's responsibility to verify with the city that the well and/or septic system is in working condition.
- No warranties for plumbing.** The subject property may/may not have been winterized by the Field Service Manager (FSM). This is not a guarantee that plumbing deficiencies do not exist. It is Buyer's responsibility to have the water turned on during the home inspection to verify that plumbing is functioning properly. If the FSM will not allow the water to be turned on due to known plumbing deficiencies, Buyer(s) has the option of hiring a professional plumber to perform a pressure test and provide estimates for repair which may be added to Buyer(s) escrow. Neither HUD nor any of its representatives will offer discounts or reimbursement for any costs associated with plumbing inspections or repairs. NO repairs/alterations may be performed until after closing.
- FHA buyers must use the FHA appraisal performed by HUD.** An FHA "as is" appraisal is prepared for each property while in HUD's inventory. If Buyer(s) intends to use FHA financing, the lender must use the FHA appraisal for underwriting purposes, so long as the appraisal has not expired before the contract is signed. If the appraisal has expired, the lender will request a new appraisal to be prepared at the sole expense of Buyer(s). When using an FHA 203(k) loan, the lender may require an "as repaired" appraisal in addition to the "as is" appraisal. Any costs associated with additional appraisals are at the sole expense of Buyer(s).
- Pending Special Assessments are Buyer's responsibility.** Buyer(s) is encouraged to call the County Tax Assessor's office and determine if any special assessments are recorded for the subject property prior to going under contract. HUD will only pay for assessments already assigned to the property prior to going under contract. Any pending assessments will be pro-rated to the day of closing. Any remaining assessments are to be paid by Buyer(s).
- Continued mold growth will not be removed.** HUD properties are sold in "as-is" condition. If mold existed at the property when the bid was submitted, neither HUD nor any of its representatives will remove or treat the existing mold or subsequent growth. It is Buyer's responsibility to acquire bids for removal/treatment. Estimates may be added to Buyer's escrow when using FHA financing. Neither HUD nor any of its representatives will offer discounts or reimbursement related to existing mold or subsequent growth.
- No warranties on PCR, MLS or appraisal information.** Inspections prior to bid acceptance are visual inspections only. Buyer(s) is urged to seek a professional inspection of the property at his/her expense. Buyer's offer is not contingent upon a home inspection. If deficiencies are discovered that did not previously exist or were not previously disclosed, Buyer(s) may seek bids for repair and add the amount to escrow when using FHA financing. Inspection results are information for Buyer(s) only and will not alter the terms of sale. Neither HUD nor any of its representatives will offer any discounts or reimbursement for inspections or costs for repair of newly discovered deficiencies.
- Changes in financing.** If Buyer(s) switches from FHA financing to non-FHA financing, Buyer(s) must reimburse HUD at closing for all expenses incurred in the process of removing LBP, including inspections, removal, stabilization, clearance tests. BestAssets will verify the amount and provide it to Buyer(s) when a change has been requested. Buyer(s) may continue with FHA financing or notify BestAssets that he/she wishes to continue with the change.
- Access to the property and removal of the lock box must be coordinated with the Listing Agent.** It is Buyer's responsibility to contact the listing agent to have the lock box and "For Sale" signed removed from the property. Buyer(s) must immediately replace all locks after closing.
- Lead-based Paint for FHA buyers.** If the property was built prior to 1978 the property must have a Lead-based Paint (LBP) Inspection. If LBP exists and Buyer(s) is using FHA 203(b) or 203(b) with escrow, HUD will stabilize the LBP prior to closing if bids are less than \$4,000. If bids exceed \$4,000, HUD will provide a credit at closing up to \$4,000 towards the stabilization of the LBP and the buyer must switch to a 203(K).

Buyer Signature

Date

Buyer Signature

Date

Selling Realtor Signature

Date

Forfeiture of Earnest Money Policy

The failure by a Purchaser to close on the sale of property within the allowable time period, including any extensions granted by HUD, will result in the forfeiture of the earnest money deposit, except where special circumstances exist and are documented and accepted by HUD. It is the responsibility of the selling agent to extend any contract before expiration regardless if the delay is from the seller or buyer.

Investor Purchasers

Uninsured Sales – The purchaser will forfeit 100% of the earnest money deposit for failure to close, regardless of reason.

Insured Sales – The purchaser will forfeit 50% of the earnest money deposit for failure to close if purchaser is determined by HUD or Direct Endorsement underwriter to be an unacceptable buyer. The purchaser will forfeit 100% of earnest money deposit if sale fails to close for any other reason.

Owner-Occupant Purchasers

The purchaser will have 100% refund of the earnest money deposit under the following circumstances:

1. There has been a death in the immediate family (contract holder, spouse, or children living in the same household);
2. There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely affecting the purchase's financial ability to close the sale;
3. There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the purchaser;
4. On an insured sale, HUD or a Direct Endorsement underwriter determines that the purchaser is not an acceptable borrower;
5. On an uninsured sale, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized mortgage lender and , despite good faith efforts, is unable to obtain mortgage financing in a specified dollar amount sufficient to purchase the property
6. For other good cause, as determined by the field office.

Cancellation of Contract

On either type of sale, the purchaser will forfeit 100% of the deposit in those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the buyer's failure to close, or where documentation is not provided within a reasonable time following contract cancellation. The documentation must be received by BestAssets no later than close of business on the tenth calendar day from the date of the cancellation notice or by the contract expiration date whichever comes first.

Contracts that have expired without proper documentation and written cancellation are subject to forfeiture of earnest money deposit in full.

Buyer Certification:

I/we acknowledge that I/we have been interviewed, completed a loan application and received a Pre-Qualification Letter from an approved lender.

Signatures

(Purchaser)

(Purchaser)

(Purchaser)

(Purchaser)

Selling Agent Accuracy Certification

BestAssets has specifically produced two separate training videos to assist you in completing this packet.

This form is **REQUIRED** in your original packet for processing. Sales Contract packages that do not include this certification form will not be processed and returned to the selling agent without review.

Please complete this packet in accordance to the training video associated with your bid acceptance.

Training Videos are located at:

<http://training.best-assets.com>

I certify that I have watched the training video for my pertinent buyer (Owner Occupant / Investor) and have completed my sales contract package accordingly.

Selling Agent Signature: _____ Date: _____

I further acknowledge that BestAssets has a daily question and answer conference call at 8:30 am CST Monday through Friday to assist me with any specific questions I need to ask to help me with the process of selling a HUD owned property and completing the sales contract package accurately the first time.

Daily Agent Question and Answer Call 8:30 CST

Dial In # 877-643-6951

Participant Passcode 95905230#

Selling Agent Signature: _____ Date: _____

Instructions for Sales Contract

Property Disposition Program

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0306 (exp. 7/31/2010)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order to administer the Property Disposition Sales Program (24 CFR Part 291). The collection of information is required in order to provide a binding contract between the property purchaser and HUD. A real estate broker or one of its agents completes this form. If this information were not collected, HUD would not be able to administer the Property Disposition Sales Program properly to avoid waste, mismanagement, and abuse. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

This **Sales Contract**, identified as form HUD-9548, must be prepared and transmitted in accordance with the following instructions. The form provides an original for fiscal and legal review, signed copy for the Purchaser, and unsigned information copies for the Purchaser, the selling Broker, and HUD's designated representative..

Remove this Instruction Sheet and type the HUD Case Number in the box in the upper right.

Item 1: Type Purchaser(s) name and complete property address.

Item 2: Enter name(s) and style in which title will be taken.

Item 3: Enter Bid Amount and amount of earnest money Purchaser has deposited.

Enter holder of earnest money deposit in accordance with Seller's instructions.

Item 4: Enter when appropriate, strictly in compliance with Seller's offering. If Seller has offered the property with insured financing available, and Purchaser is buying under such means, check the first block and the applicable type of insured financing, and complete the down payment and mortgage information. If the insured mortgage involves a repair escrow (and has been so offered by Seller), also check the appropriate block and insert the amount of the repair escrow.

Note: The amounts shown for "cash due at closing" and "balance by mortgage" do not include the FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into the mortgage.

Note: If Purchaser is paying cash or applying for conventional or other financing not involving FHA, check appropriate block.

Item 5: Enter amount of financing/closing costs Seller is expected to pay.

Note: If the amount stated in Item 5 exceeds actual and typical allowable financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) owing to Seller.

Item 6: Enter dollar amount Seller is expected to pay, including any selling bonus if offered by Seller. The commission will be paid by Seller upon completion of closing.

Item 7: Enter net amount due Seller (purchase price [Item 3], less Items 5 and 6). Contract will be awarded on the basis of the greatest acceptable net return to Seller.

Item 8: Enter appropriate occupancy information. If left blank, Purchaser will be considered as an investor. If purchaser qualifies for discount, enter percent. Discount will be reduced by amounts, if any, on Line Items 5 and 6. (Do not enter discounted price on contract.)

Item 9: Enter in accordance with HUD's instructions.

Item 10: Enter appropriate back-up offer information.

Item 11: Enter if an addendum is to be attached to and made a part of this contract.

Note: Addendum not previously approved by Seller may not be made a part of this Contract. Approved addendum must be signed by, and in the same style as, those signing as Purchaser(s).

Item 12: Purchaser(s) must initial in appropriate space.

Other:

- Failure of the Purchaser to perform in accordance with this contract may cause the Seller to retain all or a portion of the earnest money deposit. Broker must be certain this is fully explained to and understood by the Purchaser(s).**
- Enter Selling Broker's Name and Address Identifier (NAID). If broker has not been issued a SAMS NAID, complete forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, along with required documentation, and attach to this contract. Contact HUD's local designated representative.**
- The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.**

Signatures: Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

Transmittal: Forward the Original with Copies 1 and 2 to HUD's designated representative. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD's designated representative will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD's designated representative will retain Copy 2.

Sales Contract

U.S. Department of Housing and Urban Development

Property Disposition Program

Office of Housing
Federal Housing Commissioner

HUD Case No. []

1. I (We), _____
(Purchaser(s)) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development:

(street number, street name, unit number, if applicable, city, county, State)

2. The Secretary of Housing and Urban Development (Seller) agrees to sell the property at the price and terms set forth herein, and to prepare a deed containing a covenant which warrants against the acts of the Seller and all claiming by, through or under him. Title will be taken in the following name(s) and style: _____

3. The agreed purchase price of the property is _____ > 3. \$ _____
Purchaser has paid \$ _____ as earnest money to be applied on the purchase price, and agrees to pay the balance of the purchase price, plus or minus prorations, at the time of closing, in cash to Seller. The earnest money deposit shall be held by _____.

4. [] Purchaser is applying for FHA insured financing [] 203(b), [] 203(b) repair escrow, [] 203(k)] with a cash down payment of \$ _____ due at closing and the balance secured by a mortgage in the amount of \$ _____ for _____ months (does not include FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into mortgage.).

[] Said mortgage involves a repair escrow amounting to \$ _____.

[] Purchaser is paying cash or applying for conventional or other financing not involving FHA.

5. Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed > 5. \$ _____

6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of > 6a. \$ _____

6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: > 6b. \$ _____

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) > 7. \$ _____

8. Purchaser is: [] owner-occupant (will occupy this property as primary residence) [] investor
[] nonprofit organization [] public housing agency [] other government agency. Discount at closing: _____ %

Discount will reduced by amounts, if any, listed on Line Items 5 and 6.

9. Time is of the essence as to closing. The sale shall close not later than _____ days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or _____.

10. If Seller does not accept this offer, Seller [] may [] may not hold such offer as a back-up to accepted offer.

11. Lead based paint addendum [] is [] is not attached; Other addendum [] is [] is not attached hereto and made part of this contract.

12. Should Purchaser refuse or otherwise fail to perform in accordance with this contract, including the time limitation, Seller may, at Seller's sole option, retain all or a portion of the deposit as liquidated damages. The Seller reserves the right to apply the earnest money, or any portion thereof, to any sums which may be owed by the Purchaser to the Seller for rent. Purchaser(s) Initials: _____ Seller's Initials: _____

13. This contract is subject to the Conditions of Sale on the reverse hereof, which are incorporated herein and made part of this contract.

Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands:

(1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.

Purchaser(s): (type or print names & sign)

Purchaser(s) Address:

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) Phone No:

Date Purchaser(s) Signed Contract:

Seller: Secretary of Housing and Urban Development By: (type name & title, & sign)

Date Contract Accepted by HUD:

X

Certification of Broker: The undersigned certifies that: (1) neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of his/her race, color, religion, sex, familial status, national origin, or disability; (2) he/she has both provided and explained to the purchaser the notice regarding use of Seller's closing agent; (3) he/she has explained fully to the purchaser the entire terms of the contract, including Condition B on the reverse hereof; and (4) he/she is in compliance with Seller's earnest money policy as set forth on HUD forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, which he/she has executed and filed with Seller.

Broker's Business Name & Address: (for IRS reporting) (include Zip Code)

Broker's EIN or SSN: (include hyphens)

SAMS NAID:

Signature of Broker:

Broker's Phone No:

X

Type or print the name and phone number of sales person:

This section for HUD use only. Broker notified of:

[] Acceptance [] Back-Up No. _____

[] Rejection [] Return Earnest Money Deposit

Authorizing Signature & Date:

X

Conditions of Sale

- A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.
- B. Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. It is important for Purchaser to have a home inspection performed on the property in order to identify any possible defects. If FHA insured financing is used, up to \$200 of the cost to perform the inspection may be financed into the mortgage. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Services."**
- C. If financing is involved in this transaction (Item 4), Purchaser agrees that should he/she/it fail to provide documentation indicating that proper loan application was made in good faith within 10 calendar days of the date this contract was accepted by Seller, and/or thereafter otherwise to put forth good faith efforts to obtain necessary financing, Seller shall have the option of rescinding this contract and retaining all or a portion of Purchaser's earnest money deposit.
- D. Seller may rescind this contract and return all or a portion of Purchaser's earnest money deposit under the following conditions:
1. Seller has not acquired the property.
 2. Seller is unable or unwilling to remove valid objections to the title prior to closing.
 3. Seller determines that purchaser is not an acceptable borrower.
- Tender of the deposit shall release the Seller from any and all claims arising from this transaction.
- E. Purchaser may not perform repairs nor take possession of the property until sale is closed. Risk of loss or damage is assumed by Seller until sale is closed, unless Purchaser takes possession of the property prior thereto, in which case State law shall apply. (1) If sale involves FHA insured financing and after damage the property no longer meets the intent of Minimum Property Standards (MPS), Seller may, at its option, perform repairs or cancel the contract and return Purchaser's full earnest money deposit. If, after damage, the property still meets the intent of MPS, Purchaser has the option of accepting the property as-is, with a purchase price adjustment at Seller's sole discretion, or cancelling the contract and receiving refund of full earnest money deposit. (2) If sale does not involve FHA insured financing, Seller will not repair damage but may, at Seller's sole discretion, reduce the sale price. Purchaser has option to cancel the contract and receive refund of full earnest money deposit. Tender of the earnest money shall release Seller from any claims arising from this transaction.
- F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.
- G. Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.**
- H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.
- I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.
- J. If this property was constructed prior to 1978, Seller has inspected for defective paint surfaces (defined as cracking, scaling, chipping, peeling or loose paint on all interior and exterior surfaces). Seller's inspection found no defective paint surfaces, or if defective paint surfaces were found, Seller has treated or will treat such defective surfaces in a manner prescribed by Seller prior to closing. **Purchaser understands and agrees that the Seller's inspection and/or treatment is not intended to, nor does it guarantee or warrant that all lead-based paint and all potential lead-based paint hazards have been eliminated from this property.** Purchaser acknowledges that he/she/it has received a copy of a pamphlet which discusses lead-based paint hazards and has signed, on or before the date of this contract, the Lead-Based Paint Addendum to Sales Contract - Property Built Before 1978. Purchaser understands that the Lead-Based Paint Addendum must be signed by all Purchasers and forwarded to Seller *with* this contract. Contracts which are not in conformance with these requirements will not be accepted by Seller.
- K. The effective date of this contract is the date it is accepted (signed) by the Seller.
- L. If the amount stated in Item 5 exceeds actual and typical financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) due Seller.
- M. Seller's policies and requirements with regard to earnest money (including forfeiture thereof), extensions of time in which to close the sale, back-up offers, and allowable financing and/or closing costs are detailed in instructions issued to selling brokers.
- N. Seller makes no representations or guarantees that the property will, in the future, be eligible for FHA insured mortgage financing, regardless of its condition or the repairs which may be made.
- O. Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years. (18 U.S.C. 1010, 3559; 3571)**
- P. This contract contains the final and entire agreement between Purchaser and Seller and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this contract.

Case #

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Electronic Filing of HUD-9548 Contract Addendum

Purchaser(s) and Broker have elected to use the HUD-9548 contract form electronically downloaded and printed for the submission of their bid _____ (confirmation number) for case # _____.

By doing so, all parties to this agreement certify, warrant, and represent that no information and/or content of the HUD-9548 contract has been altered or omitted in any manner. They further certify, warrant, and represent that this is a true and accurate copy of the HUD-9548 contract.

The broker and purchaser(s) further agree that (i) they read and understand their responsibilities, as stated in the "Conditions of Sale," which is a part of the HUD-9548 Sales Contract and (ii) no contract or binding agreement exists unless and until a written HUD-9548 Sales Contract, executed by the U.S. Department of Housing and Urban Development is returned to purchaser.

The broker and purchaser(s) knowingly execute this addendum with full understanding that "falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years (18 U.S. C. 1010, 3559, 3571)."

CERTIFICATION OF ACCURACY

The following parties have reviewed the information above and certify to the best of their knowledge it is true and accurate, and that they agree to all of the terms and provisions hereof.

Purchaser

Date

Print Name (Purchaser)

Purchaser

Date

Print Name (Purchaser)

Broker/Agent

Date

Print Name (Broker/Agent)

Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is a felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years.

Individual Owner-Occupant Certification

I/we, _____,
submit this offer to purchase the property located at

Property address: _____

as an owner-occupant purchaser. I/we certify that I/we have not purchased a HUD-owned property within the past 24 months as an owner-occupant. This offer is being submitted with the representation that I/we will occupy the property as my/our primary residence for at least 12 months.

Purchaser's
Name,
Signature & Date: _____

Purchaser's
Name,
Signature & Date: _____

Broker Certification

I certify that I have not knowingly submitted the HUD-9548, Sales Contract, for the above listed property, on behalf of an investor purchaser. I further certify that I have discussed the penalties for false certification with the purchaser(s).

Broker's
Name,
Signature & Date: _____

Recommended Format for Lender's Letter

To Be Supplied on Company Letterhead of Lending Institution

Date (Should be no earlier than 60 days from Bid Acceptance Date)

Borrower Name(s) (Should match Name(s) appearing on Electronic Bid Submission)

Case Number (HUD Case Number should appear with property address)

Property Address (Make sure Address matches that used on Property Internet Listing)

Dear _____,

We are pleased to advise you that your mortgage loan application with (insert name of Bank or Mortgage Co. here) has been approved for the use of the purchase of the above referenced property.

Sales Price: (should match sales price on electronic bid submission)

Loan Amount:

Loan Type: (indicated if FHA or Conventional financing is to be used)

Loan Term:

The approval is based upon the information presented in your application and a review of your tri-merged credit report(s), verification(s) of employment, rent or mortgage payments, as well as, a confirmation of deposits being held and of funds to close. This commitment is subject to obtaining a satisfactory appraisal of the subject property, a clear termite inspection (if applicable), and an underwriter's final review of all the information prior to closing.

We look forward to servicing your mortgage needs during this transaction. Please contact me with any questions. (these phrases not required)

Salutation,

(signature is required)

Loan Officer Name

Title

Lending Institution Name

Phone Number to contact Loan Officer

Phone Number to contact Branch Office where Loan Officer is located

Email Address for Loan Officer (is highly recommended)

Fax Number appropriate to reach Loan Officer

NOTICE TO PURCHASER ADDENDUM TO SALES CONTRACT

This addendum must be completed and accompany each written sales offer when the offered amount exceeds the appraised value at the time the offer is submitted

Property Address:

.....
Street City State Zip Code

FHA Case #:

I (we) understand that HUD's appraised value for the above-mentioned property is:..... \$_____

I am (we are) submitting the offer (line 3 of the Sales Contract) in the amount of \$_____ with the full knowledge and understanding that it exceeds the appraised value.

Purchaser's Signature: **Date:**

Purchaser's Signature: **Date:**

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

Revision 10-2000

SELLING BROKER COMMISSION ADDENDUM

Case Number: _____

Address: _____

City, State, Zip Code: _____

Brokerage Company: _____

Buyer's Name: _____

Date executed by buyer: _____

**Selling Agent Commission
(Item 6a of HUD Form 9548):** _____

The named real estate brokerage company acting as the Selling Broker on the purchase of real estate commonly known as the address above (hereafter "the property") by purchaser identified above (hereafter "the Purchaser") from the United States Department of Housing and Urban Development (HUD) hereby agrees that the Selling Broker compensation amount shown on Item 6(a) of HUD Form 9548 relating to the Property and signed by the Purchaser shall be accepted by the Selling Broker as full and complete satisfaction of any compensation otherwise payable to the Selling Broker by reason of any offer of cooperation and compensation for the sale of the Property disseminated by the Listing Broker in any multiple listing service.

Name of Selling Broker

By: _____
Signature

Print Name

As It's: _____
Title

Date: _____

For Your Protection: Get a Home Inspection

Name of Buyer (s) _____

Property Address _____

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required for three reasons:

- to estimate the market value of a house
- to make sure that the house meets FHA minimum property standards/requirements
- to make sure that the house is marketable

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the property.

_____ I/We choose to have a home inspection performed.

_____ I/We choose not to have a home inspection performed.

X

Signature & Date

X

Signature & Date

Property Case #: _____
Property address: _____

**PURCHASERS ARE HEREBY NOTIFIED AND UNDERSTAND THAT
RADON GAS AND SOME MOLDS HAVE THE POTENTIAL TO CAUSE
SERIOUS HEALTH PROBLEMS.**

Purchaser acknowledges and accepts that the HUD-owned property described above (the "Property") is being offered for sale "AS IS" with no representations as to the condition of the Property. The Secretary of the U.S. Department of Housing and Urban Development, his/her officers, employees, agents, successors and assigns (the "Seller") and [insert name of M & M Contractor], an independent management and marketing contractor ("M & M Contractor") to the Seller, have no knowledge of radon or mold in, on, or around the Property other than what may have already been described on the web site of the Seller or M & M Contractor or otherwise made available to Purchaser by the Seller or M & M Contractor.

Radon is an invisible and odorless gaseous radioactive element. Mold is a general term for visible growth of fungus, whether it is visible directly or is visible when barriers, such as building components (for example, walls) or furnishings (for example, carpets), are removed.

Purchaser represents and warrants that Purchaser has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or M & M Contractor as to the presence of radon or mold and that the Purchaser has not relied on the Seller's or M & M Contractor's failure to provide information regarding the presence or effects of any radon or mold found on the Property.

Real Estate Brokers and Agents are not generally qualified to advise purchasers on radon or mold treatment or its health and safety risks. **PURCHASERS ARE ENCOURAGED TO OBTAIN THE SERVICES OF A QUALIFIED AND EXPERIENCED PROFESSIONAL TO CONDUCT INSPECTIONS AND TESTS REGARDING RADON AND MOLD PRIOR TO CLOSING.** Purchasers are hereby notified and agree that they are solely responsible for any required remediation and/or resulting damages, including, but not limited to, any effects on health, due to radon or mold in, on or around the property.

In consideration of the sale of the Property to the undersigned Purchaser, Purchaser does hereby release, indemnify, hold harmless and forever discharge the Seller, as owner of the Property and separately, M & M Contractor, as the independent contractor responsible for maintaining and marketing the Property, and its officers, employees, agents, successors and assigns, from any and all claims, liabilities, or causes of action of any kind that the Purchaser may now have or at any time in the future may have against the Seller and/or M & M Contractor resulting from the presence of radon or mold in, on or around the Property.

Purchaser has been given the opportunity to review this Release Agreement with Purchaser's attorney or other representatives of Purchaser's choosing, and hereby acknowledges reading and understanding this Release. Purchaser also understands that the promises, representations and warranties made by Purchaser in this Release are a material inducement for Seller entering into the contract to sell the Property to Purchaser.

Dated this ____ day of _____, 20__.

Purchaser's Signature

Purchaser's Signature

Purchaser's Printed Name

Purchaser's Printed Name

LEAD-BASED PAINT DISCLOSURE ADDENDUM

**SELLER HAS NO RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT
AND/OR LEAD-BASED PAINT HAZARDS**

Property Case #: _____

Property Address: _____

Lead Warning Statement

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduces intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the HUD's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead - based paint hazards is recommended before purchase.

Inspection Contingency

Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Purchaser has a contingency period that expires fifteen (15) calendar days from the date the contract is accepted by HUD, to conduct at the Purchaser's expense, an independent lead-based paint inspection, visual assessment for deteriorated paint, or risk assessment. The Purchaser may withdraw from the contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal). The Purchaser will be entitled to a refund of earnest money only if the Purchaser obtains an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides HUD with a copy of the inspection report.

Financing Type (Selling Broker to initial applicable clause)

_____ **No FHA Financing of Property Constructed Prior to 1978:** The purchase of this property is not being financed with an FHA insure loan. The Purchase has an inspection contingency that expires 15 days from the date of the Purchaser's signature below. The property is being sold as is with respect to all conditions including, subject to the above contingency, the potential presence of lead or lead-based paint hazards.

_____ **Any FHA Insured Financing Except 203(k):** This property is being sold subject to FHA insured financing under any program other than a 203(k) Rehabilitation Mortgage. Upon contract execution the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure

Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate.

If deteriorated lead-based paint was identified in the Report, HUD will perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sales contract, or (2) allow the purchaser to amend the contract financing to FHA 203(k) or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

FHA 203(k) Financing: This property is being sold subject to a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found and the Seller has not already completed stabilization and clearance. At closing the Purchaser shall receive a credit in an amount not to exceed \$4000.00, representing the Seller's contribution toward the cost of stabilization and clearance testing. The Credit shall appear on the FORM HUD-1 SETTLEMENT STATEMENT and shall be deposited in the 203(k) repair escrow account. If the actual cost of stabilization exceeds the credit provided or if the property fails a clearance examination, the Purchaser will be responsible for any additional costs.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to the Seller of the intention to withdraw. Written notification must be postmarked by the later of fifteen (15) calendar days from the date of the Purchaser's signature below, or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, the Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.

Purchase Acknowledgement (initial)

_____ Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*

_____ Purchaser has received a 15-day opportunity to conduct a risk assessment of inspection for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgement (initial)

_____ Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C. 4852d

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ (Purchaser) _____, 20____ (date)

_____ (Co-Purchaser) _____, 20____ (date)

_____ (Selling Broker) _____, 20____ (date)



(Seller)

01/30/2011 (date)

SELLER'S DISCLOSURE OF INFORMATION ON THE PRODUCTION OF METHAMPHETAMINES

Pursuant to Minnesota and South Dakota Codified Law, in any selling of residential premises, any seller who has actual knowledge of the existence of any prior manufacturing of methamphetamines on the premises shall disclose that information to any purchaser or any person who may become a purchaser.

Seller's Disclosure (initial)

_____ Presence of existence of any prior manufacturing of methamphetamines (check one below):

Seller has knowledge of the existence of any prior manufacturing of methamphetamines on the property (explain).

Seller has no knowledge of existence of any prior manufacturing of methamphetamines on the property.

Certification of Accuracy

The following parties have reviewed the information above and certify to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller Date Buyer Date

Seller Date Buyer Date

Request For Extension of Closing Date

Property Address:

.....
Street City State Zip Code
FHA Case #:.....(.....). Circle one: Owner Occupant or Investor

Application for mortgage financing on the above referenced property has been made on:Type: Conv. / FHA 203B / FHA 203B-Escrow / FHA 203k (circle one)

Name of Lending Institution:

However, closing cannot be accomplished within the originally agreed upon time frame of:days

On behalf of my client(s), I am requesting an extension of the scheduled closing date for 15 days.

Please select the fee appropriate to your contract amount

- _____ Contract Sales Price equal to or less than \$25,000 Extension fee is \$10 per day = \$150.00
- _____ Contract Sales Price of \$25,001 to \$50,000 Extension fee is \$15 per day = \$225.00
- _____ Contract Sales Price over \$50,000 Extension fee is \$25 per day = \$375.00

Enclosed is a certified check or money order in the amount of \$_____ payable to HUD.

I understand that this extension fee is **non-refundable** but, if closing occurs in less than the approved extension of time, my client(s) will be credited at closing for the per day fee for the unused portion of time. I understand that if this request is denied the check or money order will be returned.

The following documentation is attached in support of this request:

- ___ Copy of the sales contract signed by ALL parties, including BestAssets, as HUD's Representative.
- ___ Any document provided showing the originally scheduled closing date.
- ___ Copy of the mortgage loan application.
- ___ Notification from the mortgage lender concerning imminent approval of the application.
- ___ Other pertinent documents and information.

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

Company Name:

Broker Contact Information(REQUIRED):

Email:_____ Phone#_____

(This section to be completed by BestAssets as HUD's Representative, and by HUD's Closing Agent.)

Date Request Received By Closing Agent:

Funds in the amount of \$_____ received by:

Extension fees waived Extension fees payable to HUD

Reason:.....

Comments:.....

Closing Agent has BestAssets approval to not collect any funds:BA Signature Required

Original Contract Expiration Date:

New Contract Expiration Date:

Number Of Extensions Previously Approved:

Extension of 15 days approved. Closing must occur no later than:

Extension request denied.

BestAssets' Signature: **Date:**



FLOOD ZONE PROPERTY ADDENDUM

This addendum is made part of the HUD Sales Contract 9548 for the property referenced below.

(Excluded properties include vacant lots, properties sold to ACA partners that are scheduled for demolition or properties sold without any form of Federal Assistance including discounts, PMMs, sales incentives & closing cost assistance.)

Property Case No.: _____

Property Address: _____

Purchaser and Seller agree that as a condition of sale, purchasers of all HUD homes located in a special flood hazard area and where flood insurance is available through the National Flood Hazard Insurance Program are required to obtain flood insurance and that the following conditions of sale apply:

- A.** Purchaser acknowledges he/she will obtain Flood Insurance as a condition of this sales transaction if property is located in a FEMA Special Flood Hazard area.
- B.** Purchaser is aware of and agrees to the following:
 Property is not located in a FEMA Special Flood Hazard Area or
 Property is located in a FEMA Special Flood Hazard Area designated as:
 Property's Flood Zone Designation is _____. N/A
 (If not completed, Purchaser should contact Purchaser's insurance company, F.E.M.A. and/or the appropriate County Public Works Department to determine designated flood zone and insert)
- C.** Purchaser acknowledges that neither Seller, their Management & Marketing contractor nor Brokerage Firm(s) involved in this transaction have made any representations or warranties concerning the actual or precise flood zone boundary and/or square footage of Property. Purchaser agrees to make no claim against Seller, their Management & Marketing contractor or Brokerage Firm(s) involved in this transaction regarding any matters which concern the flood zone boundary of Property or the square footage of Property.
- D.** Coverage shall be in an amount equal to or greater than the replacement value of the improvements as indicated in the appraisal. (Excludes land value and depreciation)
- E.** Purchasers must maintain the required flood insurance for the duration of his or her ownership.
- F.** Purchasers must make flood insurance a condition of any future sale.
- G.** Purchaser must provide seller with evidence of required flood insurance prior to closing.
- H.** HUD owned properties located in special flood hazard areas in communities that are suspended from or are not participating in the National Flood Hazard Insurance Program, are not eligible for sale with FHA insurance, discounts, PMMs or other FHA assistance.

Dated this ____ day of _____, 20__

Purchasers Signature Sellers Signature

Print Name (Purchaser) Print Name (Seller)

Purchasers Signature

Print Name (Purchaser)

Montana — North Dakota — Wyoming Only

In the state of Montana, North Dakota and Wyoming, the closing agent is selected by the buyer, there is no HUD designated closing agent. If the property that you are buying is a property located in these states:

1. The Earnest Money Certified Funds are to be made out to your selected Closing Agent.
2. Under **Line 9** of the Sales contract, the actual name of the closing agent is to be filled in.
3. This closing agent assignment form must be completed indicating your preferred closing agent and returned with the original sales contract package.

Property Case Number: _____

Property Address: _____

Buyer's Name: _____

Selling Broker: _____

Closing Agent Name: _____

Contact Person: _____

Mailing Address: _____

Telephone: _____

Email Address: _____

Has this closing agent ever closed a HUD owned property before? Yes No

I hereby authorize BestAssets to release a copy of the sales contract and addenda for the above referenced property to the closing agent listed on this form.

Buyer's Signature and Date: _____

Selling Agent's Signature and Date: _____



Field Service Manager

Who is the FSM for this property?

(The contractor that turns on utilities)

The Field Service Manager handles all of the property preservation and maintenance for HUD owned properties. Each property has one of two FSM.

AMS

First Preston



HUDHomeStore.com

In order to determine which FSM is assigned to this property so you can request a utility activation, please visit www.HudHomeStore.com. Search for the property, open it. Click on the "Property Contacts". The FSM assigned to this property will be listed under the agent detail tab.

Electricity and Gas

Electricity and Gas is on at most properties. In the event that the property does not have power, buyer may turn electric on in their name if needed for inspection processes.

Water

If the water needs to be activated for inspection services, the property will need to be de-winterized and re-winterized after inspection. Depending on the assigned FSM to this particular property, the following forms will need to be filled out prior to water being approved for activation.

Note: Only one set of forms must be completed based on FSM assigned to the property.



Utility Activation/ Home Inspection / Re-winterization for HUD Case Number _____ Date: _____

Property Address: _____ City: _____ State: _____

Buyer(s): _____ Broker/Agent Name: _____

Office Phone #: _____ Broker/Agent E-mail: _____

Step 1 - Please Review Policy, Fill Out, Sign & Submit.

When you receive your written permission from AMS and the property has an executed sales contract (step 8) you may: 1-Contact the local utility companies, 2-Coordinate the dates with them and your home inspection, 3-Fill out this utility activation request form listing the turn on and turn off dates. **The utilities are to be turned on in the purchaser's name and at purchaser's expense.**

The undersigned purchaser(s) or agent for the same hereby holds AMS (ASSET MANAGEMENT SPECIALISTS, INC), its subcontractors and the U.S. Department of Housing and Urban Development harmless and assumes full responsibility for any and all related cost, deposits, and connection and usage fees associated with this activation. The undersigned further assumes full financial responsibility for any damages, which may occur as a result of the above action.

Please sign below accepting the above terms and conditions and submit.

Purchaser(s)	Date	Broker	Date
--------------	------	--------	------

Step 2 - Please sign this Utility Activation request form and refer to the Winterization Schedule on our web site www.amsreo.com to see if the property you are requesting is winterized between the dates of September 1 – April 30.

If the home is winterized, the purchaser is responsible for the actual costs to activate, deactivate and when necessary, re-winterize the property. The \$150.00 cost is non-refundable and is sufficient to cover cost of the re-winterization. The form and \$150 non-refundable cost may be submitted via **certified funds** by mail to AMS (Asset Management Specialists, Inc.), 311 Sinclair Road, Bristol, PA 19007

Attn: Utility Activations Department. If the home is **not winterized** the \$150 fee is not required and you may submit the executed copy of this form via e-mail to: UtilityActivations@amsreo.com

You must provide a date the water is to be turned on & off below. **It is the buyer's responsibility to pay for the actual costs to activate, deactivate and, when necessary, re-winterize the property.**

Please give our Property Management office 72 hours advance notice prior to having the utilities turned on by submitting this form along with the \$150.00 (if applicable for winterized properties). You have a **maximum of 72 hours** to keep the utilities on in the Buyer's Name. (Buyer/Selling Agent must call the utility company to schedule the turn on/off dates.) The purchaser is responsible for the actual costs to activate, deactivate and re-winterize the property and will be responsible for any property damage incurred. A licensed real estate broker/agent must be present during inspections.

UTILITY TURN ON DATE: _____ TURN OFF DATE : _____ **(72 hour maximum)**

I acknowledge the \$150.00 is non-refundable and paid to AMS (ASSET MANAGEMENT SPECIALISTS, INC.) for the cost to re-winterize the property within 24 hours of the turn off date listed above. We agree to e-mail utilityactivations@amsreo.com when the inspections have been completed to request AMS (ASSET MANAGEMENT SPECIALISTS, INC.) to re-winterize property.

Purchaser	Date	Broker	Date
-----------	------	--------	------

Step 3 - The Utility Activation approval confirmation will be e-mailed back to your Broker by AMS (Asset Management Specialists, Inc.),

This area to be filled out by AMS (Asset Management Specialists, Inc.)

The following utilities may be activated and tested: Gas: Yes/ No Electric: Yes/ No Water: Yes/ No /Air test systems only

Comment(s) if any _____

Additional Comment(s) if any _____

APPROVAL: _____ DATE: _____



HOME INSPECTION REQUEST FORM

From: _____ (Selling Agent)

Email Address: _____

Office Phone: _____ Cell Phone: _____

We are requesting permission to conduct a home inspection/systems check on the following property:

FHA Case Number: _____

Street: _____

City: _____ State: _____ Zip: _____

PURCHASER RESPONSIBILITIES: The utilities will be turned on in the purchaser’s name by a professional licensed inspector. The purchaser understands he/she is responsible for the cost of utility services. Utilities will remain activated no longer than 2 days in the purchaser’s name. The purchaser understands he/she is responsible for all expenses resulting from the systems check including repairs (if necessary) of any damage(s) that are incurred at the property during the inspection process. **For home inspections completed from September 1st through April 30th it is the purchaser’s responsibility to have the property RE-WINTERIZED once the home inspection has been completed.**

SELLING AGENT RESPONSIBILITIES: The selling agent has furnished a copy of HUD’s “Home Inspection Policy” to the purchaser and explained the purchaser’s responsibilities. A copy of the \$125.00 refundable deposit and a copy of the accepted contract on the above property are attached. Upon First Preston’s authorization (once the refundable deposit has been received) of the home inspection the selling agent must furnish the **home inspection date and time** to First Preston. Once the home inspection is complete, the selling agent must complete the **AFTER THE INSPECTION** section of this form and fax it to First Preston Management.

Purchaser Date Selling Agent Date

AFTER THE INSPECTION: THIS SECTION TO BE COMPLETED AND SIGNED BY THE SELLING AGENT AND FAXED TO FIRST PRESTON MANAGEMENT-FSM 3D (972) 392-2123.

Inspection completion date: _____ Property was re-winterized (date): _____

Utilities turned off (date): _____

Selling Agent Date

*****AUTHORIZATION: TO BE COMPLETED BY FIRST PRESTON MANAGEMENT ONLY*****

Authorization to perform the home inspection/system check given by:

Name: _____ Date: _____



HOME INSPECTION POLICY

- A home inspection/systems check is available to any purchaser on insured and uninsured sales. The intent of the inspection is to identify major defects only. Major defects are structural, roof, defective system components within the mechanical and operating systems (which include only the electrical, plumbing, sewage, heating and air conditioning systems), or non-compliance with the local codes, zoning or building requirements. **A professional inspector must perform the inspection.**
- The purchaser has **15 days from the date of HUD's acceptance of a sales contract** to have the inspection completed. Failure to comply with this time frame may forfeit purchaser's right to an inspection with utilities on.
- **The utilities must be activated by the purchaser or selling agent in the purchaser's name.** The purchaser is responsible for the cost of utility services. Utilities will remain activated no longer than **2 days** in the purchaser's name.
- The **purchaser is responsible for all expenses** resulting from the home inspection/systems check which includes: repairs (if necessary) of any damage to the property caused during the inspection period, re-winterization of the property and the cost of utilities.
- The selling agent **MUST** be present during the inspection.
- The selling agent is responsible for ensuring the property is returned to the same condition as before the inspection which includes **re-winterization** of the property.
- The purchaser may not make any repair(s) to the property prior to closing.
- The selling agent must submit a **HOME INSPECTION REQUEST** and **COPY OF THE ACCEPTED CONTRACT** to:

**First Preston Management-FSM-3D
5040 Addison Circle, Suite 400
Addison, TX 75001
Fax: 972-392-2123**

IMPORTANT: FOR HOME INSPECTIONS PERFORMED FROM SEPTEMBER 1ST THROUGH APRIL 30TH A REFUNDABLE \$125 DEPOSIT IN THE FORM OF A CASHIER'S CHECK OR MONEY ORDER MADE PAYABLE TO FIRST PRESTON MANAGEMENT IS REQUIRED PRIOR TO GRANTING APPROVAL FOR THE HOME INSPECTION. THE PAYMENT MUST BE SENT TO THE ABOVE ADDRESS THE SAME DAY THE REQUEST IS MADE.

****If utilities cannot be turned on due to code violations, known defects, or utility company policy, the Home Inspection Request will be denied.****