

Property Condition Report



Case Number: 045- 646037
Full Address: 2403 Basque Hills Drive
Bakersfield, CA 93313
Inspection Date: December 28, 2009
Inspection Type: Property Condition Report
Inspector: C. Cothran

NOTICE TO ALL PROSPECTIVE PURCHASERS: Pursuant to section 5.3.4 of HUD RFP: R-OPC-22505, you are hereby notified that the contents of this inspection report are for information only and do not imply any guarantee or warranty of property conditions

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1 INSPECTION REQUIREMENTS

STRUCTURAL COMPONENTS including foundation, floors, walls, columns, ceilings, and roofs.

EXTERIOR OF STRUCTURE including wall claddings, entryway doors, decks, steps, eaves, driveways, windows, patios, pools/spas, lawns, landscape, retaining walls, sheds/outbuildings, and fences.

ROOFING including roof coverings, roof drainage systems, flashing, skylights, and chimneys.

PLUMBING including interior water supply and distribution system, interior waste drains and vent system, hot water system, fuel storage and distribution system, and sump pump.

ELECTRICAL including service entrance conductors, service equipment, main distribution panels, voltage ratings, a representative number of installed ceiling fans, lighting fixtures, switches and receptacles, ground fault circuit interrupters, and smoke detectors.

HVAC (Heating Ventilation, Air Conditioning) including permanently installed heating system and its controls, chimneys, heat distribution system, including fans, pumps, and ducts, and automatic safety controls.

Normal operating control of the central air conditioning system and the distribution system

Insulation vapor barriers, ventilation of attic and foundation, kitchen, bathroom and laundry venting systems, and the operation of any readily accessible attic ventilation fan when temperature permits

INTERIOR including walls, ceilings, floors, steps, cabinets, doors, windows, etc

BUILT-IN KITCHEN APPLIANCES including the observation and operation of dishwasher, range, trash compactor, garbage disposal, ventilation equipment, permanently installed oven and microwave oven.

1.1. Exclusions of Inspection

1.2. Exclusions and Limitations

This inspection is limited to visual observations of apparent conditions existing at the time of the inspection **only**. This inspection is not intended to provide the purchaser with information regarding the advisability of this purchase, the market value of the property, the compliance or non-compliance with codes, ordinances and statutes, the suitability of this property for specialized use, the life expectancy of any component or system in the property, the presence or absence of pests or insects, or cosmetic or underground items or items that are not permanently installed. This inspection report does not address and is not intended to address the possible presence of any danger from any potentially harmful substance and environmental hazards, including but not limited to radon gas, lead paint, asbestos, urea formaldehyde (UFFI), toxic or chemical analysis, airborne hazards, polluted water, or underground oil tanks. This report reflects general conditions noted during time of inspection. Systems such as HVAC, Plumbing and Electrical because of their nature and complexity are subject to deterioration or breakdown over time that cannot be predicted. Wells and septic systems, if present, are inspected only for presence of obvious visible defects. The water quality and flow capacity of wells is not determined and the full operational functionality of septic systems cannot be determined due to the unavailability of water and extended non-use of the system. Some properties are received by HUD with pool covered. The condition of the pool is not warranted

This inspection was completed on a home that was winterized and serviced by the former lender. Systems that are being evaluated may have been off and shutdown for an extended period of time thus requiring repairs that are not noted in this inspection. This inspection may not reveal conditions that compromise a particular system. Systems that have been off for extended periods of time will require service, repairs and or new components. This inspection is a condition reports only not a home inspection or home warrantee. The general public visits these homes and conditions are subject to change. Interested buyers are to use this report as a guide in viewing the property only.

All buyers should obtain a complete home inspection by a licensed home inspector prior to purchasing.

Signature: *C. Cothran*

This summary is provided to highlight those findings that we believe are for information, significant in nature or which appear to be in immediate need of repair or a safety concern.

This inspection is visual only in areas that were accessible at the time of inspection. No dismantling of building components or systems, no destructive testing, no engineering functions, and no code compliance inspections were performed at the time of the inspection. The findings were as follows:

A Structural Components

Structure was in satisfactory condition

B Exterior of Structure

Exterior was in satisfactory condition
Missing screen door at slider
Some window screens missing

C Roofing

Roof components were in satisfactory condition

D Plumbing

Plumbing system was tested with water on
Plumbing was in satisfactory condition

E Electrical

Electrical system was checked with power on.
System was in satisfactory condition
Missing globes, bulbs and fixtures noted

F HVAC – Heating, Ventilation, Air Conditioning

HVAC system was checked with power on
HVAC is in satisfactory condition
Recommend routine maintenance

G Interior

Interior was in marginal condition
Cracked corner tile in kitchen
Door missing hardware
Moderate tears in linoleum
Carpets marginally stained
Walls have typical scuffs and holes

H Appliances

Appliances were checked with power on

Stove/Oven is gas operated

Dishwasher, Disposal, Microwave and Range Hood turned on during test

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2 DIRECTIONS TIPS TO PROPERTY

11. I-15 S.

12. Merge onto CA-58 W toward BAKERSFIELD. 126.1 mi

13. Merge onto CA-99 S via EXIT 110A toward LOS ANGELES. 3.9 mi

14. Take the PANAMA LANE exit, EXIT 20. 0.2 mi

15. Turn RIGHT onto PANAMA LN. 0.4 mi

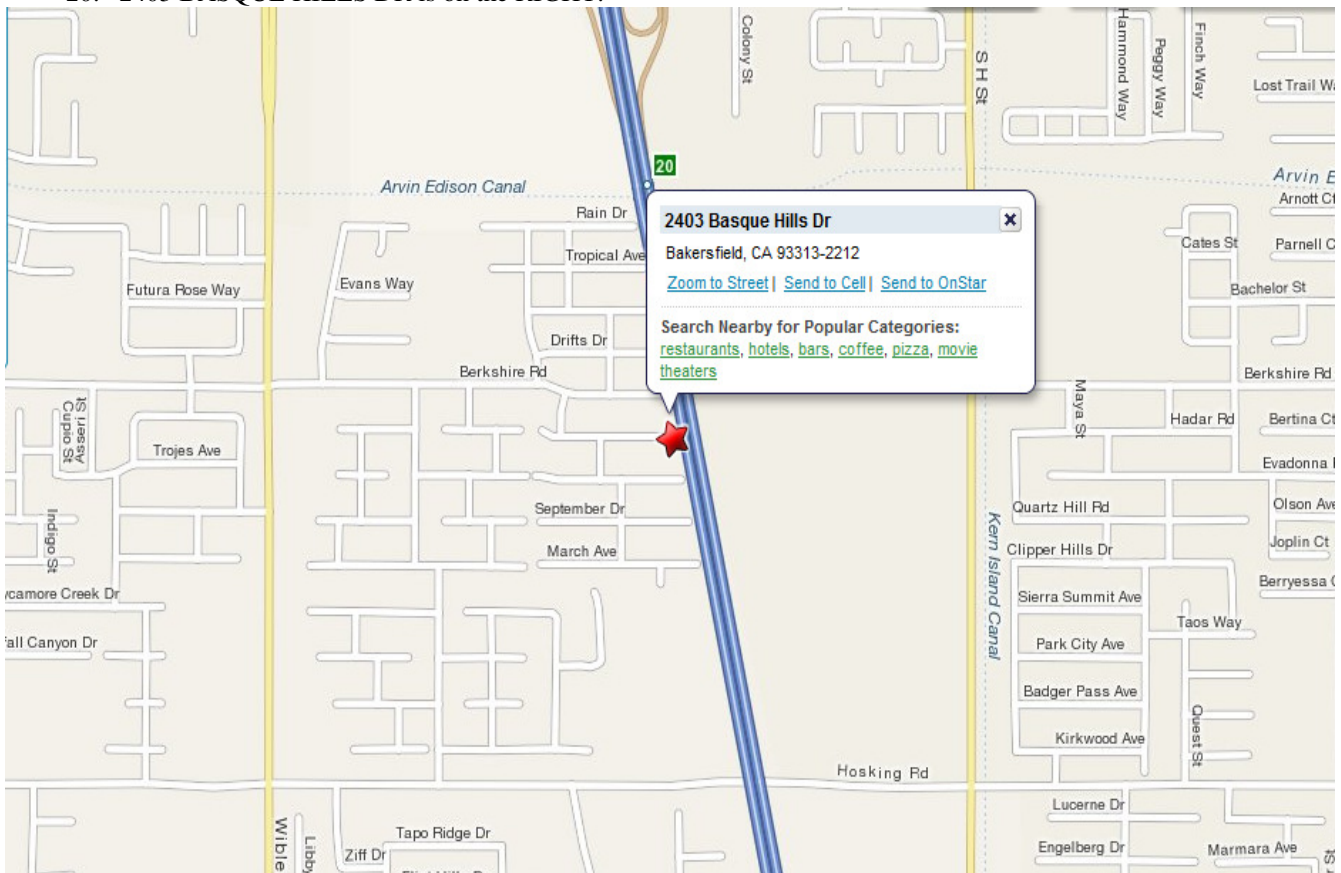
16. Turn LEFT onto WIBLE RD. 0.5 mi

17. Turn LEFT onto BERKSHIRE RD. 0.4 mi

18. Turn RIGHT onto CALM DR. 0.1 mi

19. Turn LEFT onto BASQUE HILLS DR. 0.2 mi

20. 2403 BASQUE HILLS DR is on the RIGHT.



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3 PROPERTY INFORMATION

Address: 2403 Basque Hills Drive

Access to Property: Yes

City/County: Bakersfield (Kern County)

Status of Utilities: **Electric** ON
 Water: ON
 Gas: OFF

State: CA

Approx. Structure Age: 4 yr

Zip Code: 93313

Approx. Square Footage: 2400

Occupied: Vacant

Number of Baths: 2

4 ADDITIONAL COMMENTS:

Power Company: PG & E

Meter Number: 102478684

Water Company: California Water Service

Meter Number: 62136797

Gas Company: PG & E

Meter Number: 60285089

HOA Transferable Warranties:

5 STRUCTURAL COMPONENTS

This portion of the inspection covers general structural component checkpoints of the subject property such as Foundation, floors, walls, columns, ceilings, basement, etc.

5.1. General Structural Information

Access Method: Attic

Foundation Type: Slab

Basement Type: NA

5.2. Structural Checkpoints

Checkpoints	Rating *	Comments
Basement Floor	NA	
Beam Supports	S	
Ceilings	S	
Cracks	S	
Crawlspace Door	S	
Floor	S	
Footing Drain	S	
Ground Grade	S	
Insulation	S	
Joists	NA	
Sill Plate	NV	
Structural	S	
Sub-Flooring	NA	
Walls	S	
Wood-Ground Distance	S	

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

5.3. Structural Comments

Structure was in satisfactory condition

6 EXTERIOR OF STRUCTURE

This portion of the inspection covers general exterior checkpoints of the subject property structure such as wall claddings, entryway doors, decks, steps, eaves, driveways, windows, patios, pools/spas, lawns, landscape, retaining walls, sheds/outbuildings, fences, ect.

6.1. General Exterior Information

Exterior Siding Type: Stucco
Approx. Lot size: 9000
Temperature: 49 °
Wall Structure: Wood frame
Weather Conditions: Clear

6.2. Exterior Checkpoints

Checkpoints	Rating*	Comments
Balconies	NA	
Carports	NA	
Debris	S	
Decks	NA	
Driveway	S	
Eaves	S	
Entry Locks	S	
Exterior Doors	S	
Fencing/Gates	S	
Garage Door	S	
Garage Door Opener	S	
Landscape	S	
Lawn Care	S	
Leaf Removal	S	
Patio	NA	
Pool/Spa	NA	
Porches	NA	
Railings	NA	
Retaining Walls	NA	
Sheds/Outbuildings	NA	
Sidewalks	S	
Siding Conditions	S	
Snow Removal	NA	
Steps	NA	
Storm/Screen Doors	M	Missing slider screen door
Storm/Screen Windows	M	Some screens mising
Windows	S	

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6.3. Exterior Comments

Exterior was in satisfactory conditon
Missing screen door at slider
Some window screens missing

7 ROOFING

This portion of the inspection covers general exterior roofing component checkpoints of the subject property such as roof coverings (shingles, flashing, skylights, chimneys, etc.), structural elements of the roof (trusses, rafters, ceiling joists, etc.), roof drainage systems, etc.

7.1. General Roof Information

Attic Type: Engineered truss
Gutter Type: NA
Method to Observe Attic: Attic
Method Used to Observe Roof: Walked
Number of Layers: 1
Roof Type: Gable/Hip
Roofing Material: 3 tab (BUR)

7.2. Roof Checkpoints

Checkpoints	Rating*	Comments
Shingle Condition	S	
Flashing/Joints	S	
Soffits/Fascias	S	
Skylights	NA	
Vent Pipes	S	
Chimney	NA	
Gutters	NA	
Downspouts	NA	
Attic Ventilation	S	
Attic Water	S	
Attic Insulations	S	
Structural Condition	S	
Sheathing Condition	S	
Truss	S	
Roof Exhaust Fan(s)	NA	

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

7.3. Roofing Comments

Roof components were in satisfactory condition

9. PLUMBING

This portion of the inspection covers general plumbing checkpoints of the subject property such as interior water supply and distribution system, interior waste drains and vent system, hot water system, fuel storage and distribution system, and sump pump.

9.1. General Plumbing Information

Waste Disposal: Sewer
Waste Piping: ABS
Water Heater Capacity: 40 Gallons
Water Heater Manufacturer: Promax Plus
Water Heater Model Number: GVR 40 100
Water Piping: Copper
Water Supply: Municipal

9.2.Plumbing Checkpoints

Checkpoints	Rating*	Comments
Bar Sink	NA	
Bath Fixtures	S	
Connections	S	
Hot Tub/Spa	NA	
Interior Vent	S	
Kitchen Sink	S	
Laundry Tub	NA	
Main Shut off	S	
Pressure Relief Valve	S	
Pressure Tank	NA	
Septic Location/Condition	NA	
Septic System	NA	
Sewer Drainage	S	
Shower Pan	NA	
Sprinkler System	NA	
Storage Tanks	NA	
Vent System	NA	
Water Filter	NA	
Water Heaters	S	
Water Meter	S	
Water Softener	NA	
Water Supply	S	
Well	NA	
Well Location	NA	
Well Pump/Sump Pump	NA	

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

9.3. Plumbing System Comments

Plumbing system was tested with water on
 Plumbing was in satisfactory condition

10. ELECTRICAL

This portion of the inspection covers general plumbing checkpoints of the subject property such as service entrance conductors, service equipment, main distribution panels, voltage ratings, a representative number of installed ceiling fans, lighting fixtures, switches and receptacles, ground fault circuit interrupters, smoke detectors, ect.

10.1. General Electrical Information

Additional Space Available: 5
Box Location: Side
Capacity: 200 amps
Conductor Type: Aluminum
General Wiring: Romex
Number of Disconnects: 14
Panel Manufacturer: Cutler Hammer
Panel Type: Breakers
Wiring: Copper

10.2. Electrical Checkpoints

Checkpoints	Rating*	Comments
Appliance Wiring	NV	
Bath GFCI	S	
Breaker Condition	S	
Exterior GFCI	S	
Exterior Wiring	S	
Ground Bonding	NV	
HVAC Wiring	S	
Interior Wiring	S	
Kitchen GFCI	S	
Lighting Fixtures	M	Missing globes/bulbs and fixtures
Panel Box	S	
Receptacle Location	S	
Service Attach	NV	
Service Meter	S	
Sub Panel Box	NV	

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10.3. Electrical System Comments

Electrical system was checked with power on.
System was in satisfactory condition
Missing globes, bulbs and fixtures noted

11 HVAC (Heating Ventilation, Air Conditioning)

This portion of the inspection covers general HVAC checkpoints of the subject property such as permanently installed heating system and its controls, chimneys, heat distribution system, including fans, pumps, and ducts, and automatic safety controls. Normal operating control of the central air conditioning system and the distribution system, etc. Insulation vapor barriers, ventilation of attic and foundation, kitchen, bathroom and laundry venting systems, and the operation of any readily accessible attic ventilation fan when temperature permits ect.

11.1. General HVAC Information

Inside Unit Brand: NA
Inside Unit Model Number: NA
Inside Unit Type: NA
Outside Unit Brand: York
Outside Unit Model Number: DINPO4810 06506 A
Outside Unit Type: Dual Pac

11.2. HVAC Checkpoints

Checkpoints	Rating*	Comments
Air Conditioning	S	
Boiler	NA	
Coil	S	
Coil Fins	S	
Condensation Pipe	S	
Controls	NA	
Draft Device	NA	
Duct Work	S	
Electric Heat	NA	
Evaporator	NA	
Fans	NA	
Filters	S	
Fireplace	NA	
Flu Pipes	NA	
Furnace	S	
Gas Lines	S	
Heat Exchanger	NV	
Heat Pump	NA	
Inside Fan Motor	NV	
Oil Tank	NA	
Oil Tank Vent	NA	
Refrigerant Line	S	
Supply Returns	S	
Temperature Drop Test	NA	Unable to test due to outside temperature
Thermostat	S	
Vapor Barrier	NV	
Ventilation	S	

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

11.3. HVAC Comments

HVAC system was checked with power on
 HVAC system was in satisfactory condition

12 INTERIOR

The interior portion of the inspection covers checkpoints involving the interior walls, ceilings, floors, steps, cabinets, doors, and windows.

12.1. General Interior Information

There are no general information points in this section.

12.2. Interior Checkpoints

Checkpoints	Rating *	Comments
Cabinets	S	
Ceilings	S	
Closets	S	
Countertops	S	Cracked/loose corner tile @ kitchen
Debris	S	
Detectors	U	
Door Hardware	Msg	Door missing hardware
Doors	S	
Dryer Vent	S	
Floors	M	Moderate tears in linoleum, carpets marginal stains
Mold	NV	
Railings	NA	
Stairwells	NA	
Steps	NA	
Walls	S	Typical scuffs and holes noted
Windows	S	

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

12.3. Interior Comments

Interior was in marginal condition
Cracked corner tile in kitchen
Door missing hardware
Moderate tears in linoleum
Carpets marginally stained
Walls have typical scuffs and holes

13 APPLIANCES

The kitchen appliance portion of the inspection covers checkpoints involving the observation and operation of the refrigerator, dishwasher, range, trash compactor, garbage disposal, ventilation equipment, microwave and any other permanently installed appliances.

13.1. General Appliance Information

There are no general information points in this section.

13.2. Appliance Checkpoints

Checkpoints	Rating *	Comments/Operating Condition
Dishwasher	S	
Disposal	S	
Dryer	NA	
Microwave	S	
Oven	S	Gas operated
Range Hood	S	
Range/Stove	S	Gas operated
Refrigerator	NA	
Washer	NA	
Other		

* Ratings: S=Satisfactory U=Unsatisfactory M=Marginal MG=Missing NA=Not Applicable NV=Not Visible

13.3. Appliance Comments

Appliances were checked with power on

Dishwasher, Disposal, Microwave and Range Hood turned on during test

Stove/Oven is gas operated

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14 HOA INFORMATION: No Known HOA

15 CODE VIOLATIONS: None posted

16 PENDING LITIGATION: None posted

17 DEMO ORDERS: None posted

18 MOLD DISCLOSURE: None Visible
5.3.8.5
See Mold Disclosure

19 ENVIRONMENTAL ISSUES: None posted

19.1. Environmental Compliance Record, Attachement 18 in Handbook 4310.5

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1600 SACRAMENTO INN WAY #220
SACRAMENTO, CA 95815

Case # 045-646037

**Radon Gas and Mold Notice
and Release Agreement**

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

Property Case #: 045-646037
Property address: 2403 Basque Hills Drive
Bakersfield, CA, 93313

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 PEMCO, LTD., 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

PEMCO LTD
1600 SACRAMENTO INN WAY #220
SACRAMENTO, CA 95815

Case # 045-646037

Purchaser's Printed Name


Purchaser's Printed Name

Form HUD-9548-E (6/2004)

**ENVIRONMENTAL COMPLIANCE RECORD
SINGLE FAMILY PROPERTY DISPOSITION**

**ENVIRONMENTAL COMPLIANCE RECORD
SINGLE FAMILY PROPERTY DISPOSITION**

File No. 10-008 (02622224)

FHA CASE NUMBER: FHA# 045-646037	
PROPERTY ADDRESS: 2403 BASQUE HILLS DRIVE BAKERSFIELD, CA 93313	
COMPLIANCE FINDINGS	SOURCE/DOCUMENTATION
<p>1. HISTORIC PRESERVATION Property <input type="checkbox"/> is <input checked="" type="checkbox"/> is not listed on the National Register of Historic Places. Property <input type="checkbox"/> is <input type="checkbox"/> is not located in an Historical District. <i>Note: An appropriate deed restriction will be required if property meets either of the forgoing conditions.</i></p>	<p>Checked National Register of Historical Places. Checked National Register of Historical Places.</p>
<p>2. FLOODPLAIN Property <input type="checkbox"/> is <input checked="" type="checkbox"/> is not located within the 100-year floodplain (Zones A & V). <i>Note: Flood insurance may be required.</i></p>	<p>Panel #: "X" Map #: 060077 - 2300 E Date of Map: 09/26/2008</p>
<p>3. AIRPORT RUNWAY CLEAR ZONES (24 CER 51D) Property <input type="checkbox"/> is <input checked="" type="checkbox"/> is not located within boundary of runway zone. If "yes", ** has the airport operator declined to acquire the property? <input type="checkbox"/> yes <input type="checkbox"/> no ** a signed disclaimer is required (24 CFR Part 51D).</p>	<p>Property not within 3,000 feet of the runway clear zone.</p>
<p>4. SUMMARY Additional actions <input type="checkbox"/> are <input checked="" type="checkbox"/> are not required on the basis of the findings above. If additional actions are required, describe them in an attachment.</p>	
<p>Instructions for Completion of Environmental Clearance Record</p>	
<p><u>Environmental Compliance.</u> Single Family Property Disposition is subject to the environmental policy and procedures shown at 24 CFR Part 50, where applicable. An Environmental Compliance Record must be completed for each acquired property prior to listing for sale and the results considered in the development of the terms and condition of the sale. The Contractor shall use the format contained in Exhibit 4, Attachment B-1, for documentation of the review. The compliance record is to be maintained in the individual property file.</p> <p><u>Preparing the Compliance Record.</u> To document the results of compliance findings, use copies of the appropriate floodplain and airport runway maps, and the National Register of Historic Places, in order to identify those properties that are subject to these three requirements. Instructions for completing the compliance findings on the Environmental Compliance Record are:</p> <ol style="list-style-type: none"> <u>Historic Preservation.</u> The National Register of Historic Places identifies specific properties and historic districts which are subject to historic preservation requirements. If a HUD-Owned Property is listed on the register, or the district in which it is located is listed, a deed restriction must be prepared. Consult with counsel for appropriate language to be included in the deed. <u>Floodplain.</u> Based on the floodplain map, properties located in Special Flood Hazard Areas (SFHA) which are being sold with HUD-insured mortgages or with buydowns or cash rebates, are required to have flood insurance. At the time of assignment of a case to the closing agent, the closing agent must be alerted to this requirement and must ensure that the purchaser obtains flood insurance. Such insurance may be purchased from any state licensed agent. If a property is located in a SFHA in a community which is suspended from or is not participating in the National Flood Insurance Program, the property must be offered on an uninsured basis and without a buydown or cash rebate. Listing advertisements must disclose such properties. <u>Airport Runway Clear Zones.</u> Based on airport clear zone maps, properties located within the runway clear zone must be offered to the airport operator before the public listing. Property will be sold to the airport in accordance with the policy on sales to local governments described in Exhibit 2. A decision by the airport operator not to purchase must be documented in the file, preferably in the form of a letter from the airport operator. In the absence of such a letter, a note to the file documenting the verbal response by the airport operator is sufficient. Bidders on properties located in runway clear zones must provide a signed Notice to Prospective Buyers of Properties Located in Runway Clear Zones and Clear Zones (see Exhibit 4, Attachment B-2). In those few jurisdictions which have properties in runway clear zones, Selling Brokers must be provided with copies of this notice and be advised that it must be included when submitting a bid on a property which is located in a runway clear zone. <p><u>Listing for Sale.</u> Any property which is subject to these historic, floodplain, or airport clear zone requirements must be so identified when listing the property for sale.</p>	
<p>NOTE: OTHER ENVIRONMENTAL STATUTES, EXECUTIVE ORDERS AND AUTHORITIES The remaining statutes and authorities cited at 24 CFR 50.4 do not require compliance because they are not relevant to property disposition actions which do not involve new construction.</p>	
<p>Preparer:  PHILLIP R. PRICE</p>	<p>Supervisor: _____</p>
<p>Title: LIC# AR036253</p>	<p>Date: 01/07/2010</p>
<p>Title: _____</p>	<p>Date: _____</p>

**18 – Radon Gas and Mold Notice
and Release Agreement**

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

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 Pemco, Ltd., 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