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MOST HUD PROPERTIES ARE WINTERIZED FROM OCTOBER THROUGH MARCH OF EACH YEAR. THE STATE OF ALASKA SHALL BE WINTERIZED ALL YEAR LONG.

Utility Activation/ Home Inspection / Re-winterization for HUD Case Number: _____ Date: _____
Property Address: _____ City: _____ State: _____
Buyer: _____ Broker/Agent: _____
Office Phone No: _____ Broker/Agent Email: _____

(Please read the following page. This will inform you about the winterization schedule and fees. Furthermore, it will provide answers to FAQ's). HUD Homes are sold AS IS. It is STRONGLY advised that the purchaser have a professional home inspection performed on the home to be aware of any and all property conditions prior to closing as NO Property Condition is guaranteed.

Initials (____): *I have read and understood the Utility Activation Information Sheet.*

Step 1. Please Review Policy, Fill Out, Sign & Send with Contract. When you receive written permission (*and an executed sales contract*), and if utilities are not on, contact the local utility companies to set up future dates between them and your home inspector. As per HUD, the buyer is not to activate any utilities without the FSM's prior approval. Please keep in mind that it does take up to 3 business days to review and receive approval from the FSM.

P.K. Management Group, Inc. (PKMG) will solely approve or disapprove inspections for water and electrical systems. If the property is equipped with Gas service that the purchaser wants to have inspected, then they must hire a licensed inspector qualified to inspect residential gas systems and contact the appropriate gas supplier to schedule this. If it interferes with your 10-15 day inspection period and/or appraisal period, PKMG will not be held liable for any contract extensions that may occur.

The undersigned purchaser and agent for the same hereby holds P.K. MANAGEMENT GROUP, INC. (PKMG), and its subcontractors and the U.S. Department of Housing and Urban Development harmless and assumes full responsibility for any and all related deposits, 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 and shall save and hold harmless PKMG, its Subcontractors and HUD from any and all liability.

Please sign below acknowledging and accepting the above terms and conditions and submit along with your contract package.

Purchaser: _____ Date: _____ Agent/Broker: _____ Date: _____

Step2. The purchaser is responsible to pay for the re-winterization of the property which is performed **only** by a PKMG contractor. Winterization is required for HUD properties to ensure that the plumbing lines on all properties will not freeze during the cold temperatures. The Fee of \$150.00, non-refundable, during cold weather months. This form and the \$150.00 non-refundable fee, payable to PKMG, must be submitted via **certified funds** by mail. Fees are to be made out to PKMG and mailed to: Assero Services, 10 Canal Street Suite 232, Bristol, PA 19007, **Attn: Utility Activations Dept.** You must provide a proposed date the water is to be turned on and off below. If the fee is not required then the completed form can be e-mailed to: utilityactivations@assero24.com. During Oct 1st – March 31st the request will be denied for water activation if the heat may not be activated for any reason.

In the event that utilities are not already on at the property, you must provide a proposed date the utilities are to be turned on & off below. **It is the buyer's responsibility to pay for the actual costs to activate and deactivate the utilities at the property. (Remember that the plumbing lines may have to be De-Winterized PRIOR to activating the water).** A professional plumber shall perform these services, at your expense, prior to the Water service activation. The utilities are to be activated in the purchaser's name and at the purchaser's expense. Please give PKMG 3 business days to review your request and process your approval prior to having the utilities turned on. You have a maximum of three (3) business days 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.) If this interferes with your 10-15 day inspection period and/or appraisal period PKMG will not be held liable for any contract extensions that may occur. A licensed real estate broker/agent **MUST** be present during inspections.

Please enter all applicable service provider information as indicated below:

WATER PROVIDER NAME: _____ PHONE NUMBER: _____
UTILITY TURN ON DATE: _____ TURN OFF DATE: _____ (MAXIMUM 3 BUSINESS DAYS)

ELECTRIC PROVIDER NAME: _____ PHONE NUMBER: _____
UTILITY TURN ON DATE: _____ TURN OFF DATE: _____ (MAXIMUM 3 BUSINESS DAYS)

I authorize and allow P.K. Management Group, Inc. (PKMG) to re-winterize the property within 24 hours of the turn off date listed above. By signing below I (we) understand that the \$150.00 fee paid to PKMG will be non-refundable and is paid to PKMG to cover the costs of said re-winterization. You shall send an email to utilityactivations@assero24.com when inspections have been completed to request that PKMG re-winterize property.

Purchaser: _____ Date: _____ Agent/Broker: _____ Date: _____
(Only required to sign during winterization season. Please see attached for schedule)

Step 3. The Utility Activation Approval will be emailed back to you by PKMG or its Authorized Subcontractor.

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

IMPORTANT: Please remember that all water valves are left open during winterization. YOU shall make sure that all of the faucets and water valves, including water heaters and washing machines, are in the OFF position before having the water activated. Failure to do so may result in the flooding of the property.

Comment(s) if any _____

APPROVAL: _____ DATE: _____

Winterization Dates: Properties are to be winterized between October 1 and March 31, unless, climatic conditions require earlier and extended winterization treatment periods. Properties in the State of Alaska are winterized year around.

FAQ's:

- If the property is not winterized, do we need to send the fee for re-winterization? No you do not. The fee is only required during the winterization season.
- If the fee is not required, do we still need to mail the request form? No. You do not need to send the form by US Mail. You may email it to utilityactivations@assero24.com In either case, the form is required.
- Why can't we just activate the utilities ourselves and skip this process? This process is a HUD policy. You are required to receive approval from your Field Service Manager (FSM) prior to activating any utilities.
- Can we leave utilities activated until closing? No you cannot. You need to have utilities deactivated within 72 hours. This is a HUD policy.
- We need to schedule our inspection and appraisal at the same time. How do we go about this? You need to speak to your lender and request an estimated date in which your appraiser will be at the property. If they cannot go out during your inspection period, then you will need to deactivate utilities. Once you receive word that your appraiser may be going to the property, you will have to request approval once again and await our response.
- Do you require original signatures? No we do not. We accept faxed, emailed, copies, and e-certified requests.
- How long does it generally take to receive approval for activation? It usually takes 2-3 business days to receive approval.
- How do we know if the property is winterized? Your agent should have provided you the HUD PCR (Property Condition Report) which was available when placing a bid. This report does state whether or not the property is winterized. Furthermore, your agent may visit the property to verify if the property is currently winterized as well.
- Does the FSM activate utilities or does the buyer/agent activate utilities? It is the buyer's responsibility to activate utilities upon receiving our signed approval.