

HOME INSPECTION ORDER AGREEMENT

-- PLEASE CAREFULLY READ BOTH PAGES OF THIS AGREEMENT BEFORE SIGNING --

This Home Inspection Order Agreement ("Agreement") represents a binding contract between _____ ("Client") and _____ ("Company"), a local independently owned and operated business, for a Home Inspection of the dwelling located at _____.

A. PURPOSE AND SCOPE OF HOME INSPECTION. With this Agreement, Client is purchasing, and Company is agreeing to perform, a Limited Time/Scope Home Inspection ("Inspection") of the principal dwelling on the referenced property ("Dwelling"). The purpose of this Inspection is to identify visual material defects of the major structural, mechanical and electrical elements/systems/related components ("Elements") at the time of Inspection **in accordance with local home inspection law and/or recognized home inspection industry standards.** Upon completion of the Inspection, the Company will render an Inspection Report ("Report") outlining the condition of inspected Elements as of the time of Inspection. **Note: This Inspection is not technically exhaustive. Carefully review the Limitations and Exclusions listed under the Additional Terms and Conditions on page 2. Applicable regulations and standards are available upon request.**

HOME INSPECTION FEE: \$ _____
This is the fee for the Home Inspection requested with this Order Agreement. See below for Total Fee.

B. LIMITED INSPECTION GUARANTEE. Where offered and permitted by law, the Company provides a complimentary Limited Inspection Guarantee ("Guarantee") for the exclusive benefit of the Client. This Guarantee provides partial reimbursement for repair expenses, including those incurred as a result of alleged inspector negligence, when eligible Elements are documented in the Report to be in satisfactory condition. Reimbursement will be provided for eligible repairs discovered after closing and reported within ninety (90) days from the closing date, up to a maximum of one-hundred twenty (120) days from the Inspection date. Under the Terms and Conditions of the Guarantee, the Company will reimburse the Client for repair costs beyond their initial \$95.00 expense per Element, in an aggregate of \$1,500 per Element. **For full details on the Guarantee Terms, Eligibility Guidelines, Limitations and Exclusions, Client must review the Guarantee Form.**

C. COMPANY LIABILITY. Due to the nature of this Inspection, it is difficult to foresee or determine (at the time this Agreement is formed) potential damages in the event of negligence, breach of this Agreement, or otherwise. Thus, if the Company fails to conduct the Inspection as provided herein, the Company's liability (and that of its employees, assigns, agents etc.) for any and all claims related thereto, including, among others, those alleging negligence or breach of contract, is **limited to direct loss/damages to a maximum value of \$1,000, except as otherwise provided by the Limited Inspection Guarantee.** The Company assumes no responsibility or liability for any bodily injury or health condition related to the Inspection or the property. Further, there will be no recovery for consequential or punitive damages or attorneys' fees. The Client understands that the Inspection without this limitation of liability would have to be more technically exhaustive, would likely require

the services of specialists, and would cost substantially more than the fee for this Inspection. If interested in extending the scope of the Company's liability, please discuss the Extended Time/Scope Inspection with the Company.

D. INSPECTION SERVICE OPTIONS. There are other inspection services that may be of value in connection with the home-buying decision. **Be advised that these inspection service options are NOT included with a Home Inspection and cannot be executed solely with this Agreement.** Fees for any other requested inspection services will be charged at the Company's prevailing rate schedule. These additional service options may include:

1. ANCILLARY/RELATED INSPECTION SERVICES. The Company, at its option, may be able to provide or arrange for additional inspections of house elements or other special inspection, testing, or evaluation services. If interested in information regarding any such service, please contact the Company for information on availability, fees, and the scope of additional services. **Please review the Ancillary Service Addendum for more information.**

2. EXTENDED TIME/SCOPE INSPECTION. An Extended Time /Scope Inspection is available for Clients preferring additional protection. **This service provides more detail than a home inspection regarding the condition of the Dwelling and extends the Company's liability for negligence beyond that as provided in Section C of this Agreement.**

3. ADDITIONAL/FOLLOW-UP INSPECTIONS. If interested in an inspection of any area or Element not included in the Home Inspection or a reinspection of any inaccessible or concealed Element (that could not be inspected at the time of the original Inspection), please contact the Company.

E. DISTRIBUTION AND PAYMENT. The Company will provide a Report to the Client, or Client's authorized representative. Distribution of copies of the Report(s) to other parties will only be at Client's direction, or as otherwise specified by law. **Client's receipt of the Report, or reliance on it, will constitute acceptance of all Terms and Conditions of this Agreement.**

TOTAL FEE: \$ _____
This fee includes any additional services, if applicable. All fees are due and payable at the time of Inspection.

Payment is/will be made by:
 Check Cash / Money Order Credit Card: _____
Name on Card: _____
Card Number: _____ Exp. Date: _____

EXCEPT FOR THE LIMITED INSPECTION GUARANTEE PROVIDED BY THE COMPANY, NEITHER THE INSPECTION NOR REPORT CONSTITUTES A WARRANTY, AN INSURANCE POLICY, OR A GUARANTEE OF ANY KIND.

AGREEMENT ACKNOWLEDGMENT

If the Client deems any of the Agreement's Terms and Conditions unacceptable, including the Company's Liability provision (Section C above), Client may decline Company's services prior to commencement of the inspection without any further obligation on the part of either party.

* * * * *
By signing this Agreement, Client, or their authorized representative: (a) warrants that the Agreement and the Guarantee Form have been read carefully; (b) agrees that the Terms and Conditions of this Agreement are binding; and (c) acknowledges that any questions regarding the scope of the Inspection or the Terms and Conditions of this Agreement (including the Guarantee) have been answered to Client's satisfaction.

Client: _____ Signature: _____ Date: _____

Company Representative: _____ Signature: _____ Date: _____
(Facsimile signatures shall be deemed original)

ADDITIONAL TERMS AND CONDITIONS

1. INSPECTION LIMITATIONS/EXCLUSIONS. The Inspection and Report are limited to specified visible and readily accessible Elements of the Dwelling at the time of Inspection. The Inspection will not be invasive or technically exhaustive, and cannot detect latent conditions or concealed defects, such as soil problems, drain-line blockage, or structural damage and other conditions that might exist within walls, ceilings, floors, or in other hidden, obstructed, or inaccessible areas. All conditions and Elements are subject to change. It is not possible to determine or predict water leakage, moisture problems, or other conditions that might be affected by varying weather conditions, environmental factors, or lifestyles. An Inspection does not include or address any items or issues that do not come within the above definition. By way of example only, an Inspection **does not** include inspection or evaluation for: code compliance; environmental pollutants or hazards; biological contaminants; geological or soil conditions (including expansive soils and mine subsidence); structural design or adequacy; wood-destroying insects or organisms; insect or pest infestation; identification or verification of physical composition of elements; adequacy or energy efficiency of any house element; system, or component; quality or quantity of water supply; well yield or capacity; pet/pest damage/odors; buried elements; swimming pools/spas; hot tubs; lawn irrigation; any unique or nonstandard feature of the house; or any specialized service or evaluation, unless specifically reported otherwise. **Furthermore, an Inspection does not address or make any representation as to Element longevity, cosmetic issues, property value, the advisability or inadvisability of the Dwelling purchase, compliance with local laws, or whether the property meets any requirements for insurance coverage or lending eligibility.**

2. MOLD AND ENVIRONMENTAL/HEALTH ISSUES. The Client specifically acknowledges that an Inspection **is not intended to detect, identify, or disclose the presence or absence of, or potential for, any environmental or biological contaminants, pollutants, concerns or hazards**, including, but not limited to fungi (including molds and mildew), allergens, bacteria, asbestos, radon, lead, formaldehyde, carbon monoxide, and other potentially toxic or hazardous substances in the air, water, soil or materials. The Company assumes no responsibility for any loss or damages related to actual, alleged or threatened contamination or other effects caused by such elements, whether property- or health-related, or the cost to test, remove, clean-up or detoxify the property in any way. To test or evaluate for mold and/or other biological and environmental concerns, independent evaluation by a specialist(s) is normally required.

3. CLIENT OBLIGATIONS. Client is responsible for arranging access to the home through the owner/seller and ensuring that all utilities are on prior to the Inspection. Client acknowledges that being present during the Inspection process is at Client's own risk. Because an Inspection is part of the home purchase process, there are inherent time sensitive matters that must be addressed, including:

a. Report Follow-Up. Client agrees that the Report (including any addenda or attachments) will be read in its entirety, and the Client will be considered on notice of all findings and recommendations. It is understood that if Client has any questions or concerns regarding any aspect of the Report, or regarding any discovered defect after Client's final (pre-closing) inspection (see subsection c below), Client will immediately notify Company in writing before making any final decisions and/or undertaking any expense or commitment. Client agrees to use due diligence to follow-up with specialists and/or the seller on any reported conditions, defects, or recommendations contained in the Report. Client's failure to do so may constitute negligence.

b. Seller Disclosure. Client understands that the Inspection is not a substitute for owner disclosure and agrees to address any issues or concerns with the seller prior to title transfer. Due to the legal nature of the real estate transaction, the Company is not responsible for conditions that develop or are discovered prior to closing.

c. Final Inspection. Client agrees to perform a final pre-closing inspection. If this final inspection is not performed, the Company is relieved of any liability concerning any defects such inspection would have revealed. For an additional fee, the Company can perform this pre-closing inspection for the Client.

d. Notice of Claims. The written Report will be the report of record. Should a concern or dispute arise over the condition of an Inspected Element after closing of title, the Client agrees to notify the Company in writing within ten (10) business days of discovery and to provide the Company with the opportunity to reinspect or otherwise document any concerns **prior to** the commencement of any repair or replacement work. Failure to provide such written notification and access for reinspection will release the Company of any and all liability concerning the Inspection.

4. ONE (1) YEAR LIMITATION PERIOD AND DISPUTE RESOLUTION. Because the condition of a Dwelling is constantly changing and an Inspection is a temporal assessment of the Dwelling's condition as of the time of the Inspection, **no claim or legal action, including any based in tort or contract or otherwise, may be commenced against the Company after one year from the date of the Inspection.** Failure to bring such an action within this time period shall be a complete bar to any such action and a full and complete waiver of any rights, or claims based thereon. **This time limitation period may be shorter than provided by state/provincial law.** Should the Client initiate legal action against the Company and not fully prevail in such action and/or it is determined that the Report apprised Client of the condition that is the subject of the suit, the Client will be responsible for all attorneys' fees and related costs associated with the Company's defense of the matter. In addition, if the Client or spouse is an attorney, it is agreed and understood that all claims arising out of this Agreement and/or any Services provided shall be submitted for binding arbitration before a recognized, mutually agreeable arbitration association, at the Client's expense. The parties shall be bound by the arbitrator's determination and expressly waive other legal remedies.

5. NATURE OF THE FRANCHISE RELATIONSHIP. The Company providing this Report is a franchisee of HMA Franchise Systems, Inc. ("Franchisor") As a franchisee, the **Company is an independently owned and operated business** that has a license to use the HouseMaster® name, marks, and certain methods. In retaining the Company to conduct an Inspection, Client acknowledges that the Franchisor does not control this Company's day-to-day activities, is not involved in conducting Inspections or other Services provided by the Company, and is in no way responsible for the Company's actions. The Company is solely responsible for addressing any issues or concerns that may develop in connection with the Inspection. Should the Franchisor be improperly implicated in any claim brought by the Client, Client will be responsible for any and all defense costs and attorneys' fees associated therewith.

6. CONFIDENTIALITY AND EXCLUSIVE USE. The Inspection is performed and the Report (including, when applicable, any addenda and test results) is prepared for the exclusive use and benefit of the Client unless otherwise specified by law. Reports are non-transferable and may not be used or relied upon by other parties without the written consent of both the Client and Company.

7. SEVERABILITY AND ENTIRE AGREEMENT. The parties agree that all provisions in this Agreement are enforceable to the extent provided by law. Should a court determine that any provision(s) in this Agreement is void, voidable or unenforceable due to a conflict with local law or otherwise, the remaining portions shall remain in full force and effect. Client expressly agrees that this Agreement and the Report, along with any addenda or attachments, contain the entire understanding between the parties. This Agreement supersedes any and all representations or discussions, **whether oral or written**, relating to the subject matter of this Agreement. This Agreement may be modified, altered or amended only if agreed to in writing and signed by the parties.

8. COMPANY RELATIONSHIPS/THIRD PARTY PROVIDERS. The Company may have an affiliation with third-party service providers ("TPSP") in order to offer value-added services to its Clients. The Company may receive compensation for such services. The Company may also arrange for these TPSP to send literature or make post-inspection contact with the Company's Clients. **If Client does not wish to receive literature from or be contacted by a TPSP, Client must notify the Company.**