

LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT

CLIENT AND COMPANY (Company is also defined to include any and all inspectors who perform the contracted-for inspections as an employee or independent contractor of the Company) agree to the following terms and conditions:

1. **Client Attendance and Permission to Access Subject Property:** The Client acknowledges that Client and/or any authorized representative has been encouraged to attend and participate in the inspection and recognizes that failure to do so may result in less than a complete understanding of the findings. The Client further acknowledges that such participation is at the Client's own risk. The Client warrants that permission has been secured for the Company to enter and inspect the Subject Property.

2. **Standards of Practice:** The Company agrees to perform a limited visual inspection of the systems and components included in the inspection as they exist at the time of the inspection and for which a fee has been agreed upon. Home Inspectors, including the Company, are governed by the rules in the New Jersey Administrative Code contained at *N.J.A.C. §13:40-15* and the Company and its inspector(s) shall comply with these rules. Failure to comply with these rules may subject the Company and its inspector(s) to discipline. The inspection is limited by the exceptions and exclusions as contained in the Standards of Practice, *N.J.A.C. §13:40-15.16*, and this Pre-Inspection Agreement.

3. **Definitions and Purpose of the Inspection:** Home inspection means a limited visual, functional, non-invasive inspection, conducted for a fee or any other consideration, and performed without moving personal property, furniture, equipment, plants, soil, snow, ice or debris, using the mandatory equipment and including the preparation of a home inspection report of the accessible elements of the following systems and components of a residential building: structural; exterior; roofing; plumbing; electrical; heating; cooling; interior; insulation; and ventilation, fireplaces and solid fuel burning appliances, as described more fully in *N.J.A.C. §13:40-15.16(c)*, but excluding recreational facilities and outbuildings other than garages or carports. The purpose of the home inspection is to identify and report on material defects found in those systems and components. A **material defect** is a condition, or functional aspect, of a structural component or system that is readily ascertainable during a home inspection that substantially affects the value, habitability or safety of the dwelling, but does not include decorative, stylistic, cosmetic, or aesthetic aspects of the system, structure or component. **Accessible** means available for visual inspection without requiring the moving of personal property, dismantling, destructive measures, or any action which will likely involve risk to persons or property.

4. **Inspection Report:** The Client and the Company agree that the Company, and its inspector(s), will prepare a written home inspection report which shall: (A) disclose those systems and components which are/were designated for inspection pursuant to *N.J.A.C. §13:40-15.16* and are/were present in the Subject Property at the time of the inspection, as well as those systems and components which are/were present at the time of the inspection but are/were not inspected and the reason(s) they were not inspected; (B) describe the systems and components as defined in *N.J.A.C. §13:40-15.16*; (C) state and identify what material defects were found in the previously described systems and components; (D) state the significance of the findings; and (E) provide recommendations regarding the need to repair, replace and/or monitor a system and/or component, or obtain examination and analysis by a qualified professional, tradesperson and/or service technician.

5A. **Inspection Exclusions:** The Company **IS NOT REQUIRED TO:** (1) enter any area or perform any procedure which is, in the opinion of the inspector, unsafe and likely to be dangerous to the inspector or other persons; (2) enter any area or perform any procedure which will, in the opinion of the inspector, likely damage the Subject Property or its systems or components; (3) enter any area which does not have at least 24 inches of unobstructed vertical clearance and at least 30 inches of unobstructed horizontal clearance; (4) identify concealed conditions and latent defects; (5) determine life expectancy of any system or component, condition and/or operation of any appliance where connecting piping, wiring and/or components are not readily accessible and visible; (6) determine the cause of any condition or deficiency; (7) determine future conditions that may occur including the failure of systems and components including consequential damage; (8) determine the operating costs of systems or components; (9) determine the suitability of the Subject Property for any specialized use; (10) determine compliance with codes, regulations and/or ordinances; (11) determine market value of the Subject Property or its marketability; (12) determine advisability of purchase of the Subject Property; (13) determine the presence of any actual or potential environmental concerns or hazards in the air, water, soil or building materials. Such environmental concerns and hazards include, but are not limited to: asbestos; radon; lead; urea formaldehyde; mold; mildew; fungus; odors; noise; toxic or flammable chemicals; water or air quality; PCBs or other toxins; electromagnetic fields; underground storage tanks; proximity to toxic waste sites or sites being monitored by any state or federal agency; carbon monoxide; the presence of or any hazards associated with the use or placement of Chinese drywall at the Subject Property; or any other environmental or health hazards; (14) determine the effectiveness of any system installed or method utilized to control or remove suspected hazardous substances; (15) operate any system or component which is shut down or otherwise inoperable; (16) operate any system or component which does not respond to normal operating controls; (17) operate shut-off valves; (18) determine whether water supply and waste disposal systems are public or private; (19) insert any tool, probe or testing device inside electrical panels; (20) dismantle any electrical device or control other than to remove the covers of main and sub panels; (21) walk on unfloored sections of attics; or (22) light pilot flames or ignite or extinguish fires. The Company **IS NOT REQUIRED TO DETERMINE** whether any system or component of the Subject Property has been affected by the illegal manufacture, distribution, storage, possession or sale of any illicit drugs, products or by-products, including, but not limited to, methamphetamines, and including any and all chemicals, tools, household fixtures or appliances used to facilitate such illegal activities.

The Inspection only includes those systems and components expressly and specifically identified in the Inspection Report. The Inspection limitations, exceptions and exclusions in the Standards of Practice are incorporated herein. In addition, any area which is not exposed to view, is concealed, is inaccessible because of soil, walls, floors, carpets, ceilings, furnishing or in any other fashion is excluded. Tile Inspection does not include any destructive testing or dismantling. The following systems and components and areas are among those NOT included but not limited to in the Inspection or Inspection Report:

Latent or concealed defects, compliance with code or zoning ordinances or permit research or system or component installation or recalls.

Structural, geological, soil, wave action or hydrological stability, survey, engineering, analysis, or testing.

Termites or other wood destroying insects and or organisms, rodents or other pests, dry-rot or fungus; or damage from or relating to the preceding. This exclusion is deleted if the Client has the Company perform wood destroying organism inspection for an additional fee.

Private water, sewage systems, water softeners or purifiers, radiant heat systems or solar heating systems. Pools, spas, hot tubs, saunas, steam baths, fountains, or other types of or related systems and components.

Repair cost estimates or building value appraisal.

Thermostatic or time clock controls, radio-controlled devices, automatic gates or elevators, lifts, dumbwaiters.

Free standing appliances and gas appliances such as fire pits, barbecues, exterior kitchens and supporting devices. heaters and lamps.

Main gas shut off valve. Any gas leaks. Furnace heat exchangers.

Seismic safety, security or fire safety systems or security bars and/or safety equipment.

Any adverse condition that may affect the desirability of the property including but not limited to proximity to railroad tracks or airplane routes, boundaries, easements or rights of way, adjoining properties, or neighborhood.

Unique/technically complex systems or components, system or component life expectancy or adequacy or efficiency of any system or component.

Client's Initials: _____

ENVIRONMENTAL AND HEALTH ISSUES

The Client specifically acknowledges that a Property Inspection is NOT an Environmental Survey and is not intended to detect, identify, disclose or report on the presence of any actual or potential environmental concerns or, hazards in the air, water, soil or building materials. Such environmental concerns and hazards include but are not limited to asbestos; "Chinese Drywall"; radon [unless hired to do so]; lead; urea formaldehyde; mold [Unless hired to do so]; mildew; fungus; odors; noise; toxic or flammable chemicals; water or air quality; PCB's or other toxins; electromagnetic fields; underground storage tanks; proximity to toxic waste

sites; carbon monoxide. You agree to hold the Company and Inspector harmless for any injury, health risk or damage caused or contributed to by these conditions.

Client's Initials: _____

6. **BINDING ARBITRATION PROVISION. PLEASE READ CAREFULLY:** Any dispute, controversy, interpretation, or claim, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation, and/or any violation of any law, statute, ordinance, regulation or code, or any other theory of liability arising out of, from or related to this Pre-Inspection Agreement or arising out of, from or related to the inspection or report shall be submitted to final and binding arbitration as conducted by and according to the Rules and Procedures of Construction Dispute Resolution Services, LLC. The decision of the arbitrator appointed by Construction Dispute Resolution Services, LLC shall be final and binding and judgment on the decision may be entered in any court of competent jurisdiction. **NOTICE: YOU AND WE WOULD HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION.**

7. **Disclaimer of Warranty:** The Client understands that the inspection and report do not, in any way, constitute a guarantee, warranty of merchantability or fitness for a particular purpose, express or implied warranty, or an insurance policy. Additionally, neither the inspection nor inspection report is a substitute for any real estate transfer disclosures that may be required by law.

8. **Notice of Claims:** The Client agrees that any claim for failure of the Company to fulfill its obligations under this Agreement shall be made in writing to the Company upon discovery. The Client also agrees to allow the Company ten (10) days to come to the Subject Property to inspect and evaluate any condition complained of by the Client to the Company and not to make, or allow others to make, any alteration to the claimed condition until the Company has had the opportunity to inspect and evaluate the claimed condition, except in case of emergency.

9. **Choice of Law:** This Pre-Inspection Agreement shall be governed by New Jersey law. If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator, the remaining terms shall remain in force between the parties.

10. **LIMITATION ON TIME TO BRING LEGAL ACTION. PLEASE READ CAREFULLY:** Any legal action, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation, and/or any violation of any law, statute, ordinance, regulation or code, or any other theory of liability arising out of, from or related to this Pre-Inspection Agreement or arising out of, from or related to the inspection or report must be brought within one (1) year from the date of the inspection, regardless of when the Client first discovers the facts supporting such possible claims as identified herein. Failure to bring said action within one (1) year of the date of services shall be a complete bar to any such action and a full and complete waiver of any rights, actions or causes of action that may have arisen from the inspection and/or inspection report. This time may be shorter than otherwise provided by New Jersey law.

11. **Systems & Components Not Inspected by Agreement:** The Client and the Company agree that the following systems and/or components of the Subject Property are specifically excluded from the inspection at the request of the Client:

12. **Responsibility for Return Inspections:** The Client understands that if any systems and/or components of the Subject Property cannot be inspected due to unforeseen circumstances during the inspection it is the Client's duty to contact the Company should the Client desire the Company to return to the Subject Property at a later date or time to inspect those systems and/or components. Any systems and/or components not inspected due to unforeseen circumstances will be identified in the report. If Client desires the Company to return at a later date or time the Client hereby agrees that the Company will charge the Client an additional fee in the amount of \$ 295.00 to conduct the return inspection unless other arrangements are made.

13. **Entire Agreement:** This Pre-Inspection Agreement and any subsequent report issued to the Client by the Company represent the entire agreement between the parties. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties and supported by valid consideration. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns,

and representatives of any kind whatsoever. The inspection is being performed for the exclusive use and benefit of the Client. The inspection, including the written report, is not to be transferred to, utilized, or relied upon by any other person or entity without prior written permission of the Company.

14. Waste System. Client has been informed that a video inspection of the home's waste system would be helpful to evaluate its condition and to disclose such non-obvious conditions as unknown septic systems. Anything that is in the ground visible or otherwise cannot be reported on. Client expressly acknowledges that Home Inspection Services is not responsible to determine the type of waste system present in the premises and will rely on information provided by Client and/or the broker involved.

Client's initials: _____

15. Radon Testing. Client has been informed of the dangers involved with radon, and Home Inspection Services has provided Client with EPA literature concerning radon which can also be downloaded from our website which can be found on the library page. Client expressly requests that Home Inspection Services not perform any test of radon levels in the premises and hereby waives any right to make a claim against Home Inspection Services on account of loss, damages or injury directly or indirectly related to the presence of radon in the premises.

Client's initials: _____

16. Mold Sampling. Client has been informed of the dangers and health hazards involved with mold conditions, seen or unseen. Client expressly requests that Home Inspection Services not take air samples or contact samples for analysis or perform any other test for the presence of mold in the premises and hereby waives any right to make a claim against Home Inspection Services on account of loss, damages or injury directly or indirectly related to the existence of mold conditions in the premises.

Client's initials: _____

17. [A]. Appliances/Mechanical Devices: Appliances are tested for basic function only [on/off, and visible leakage]. Carbon Monoxide/Natural Gas levels are not tested. Sub functions are not tested as part of a standard home inspection. We do not monitor drying or draining cycles. Stoves are tested for basic operation only; Ovens are tested for on/off only [if present] Refrigerators are not moved to examine water hookups or ice maker function [if present]. Washer/Dryer [if present] are tested for basic function only [on/off and drain]. Visible leaks are looked for. Units are not moved.

[B]. Mechanical Devices: Boiler, Furnaces, Hot Water Heating Systems: Are visually checked for leakage and proper operation. Valves and controllers are not tested and due to the requirement of specialty testing devices **Carbon Monoxide levels are not tested.**

Client's Initials: _____

[C]. All permanently devices are operated at the time of the inspection. Please be aware as with any mechanical device this is a snapshot in time only and Home Inspection Services is not responsible for the condition of the devices present after leaving the home. Failure can occur at any time and for peace of mind we recommend that you consider getting a whole house warranty that will cover all major appliances. [Discuss this with your agent.]

Note; Some devices are not inspected as part of a standard home inspection, Example: Whole house theater systems, Whole house vacuum systems, Sprinklers Systems, Alarm Systems, Generators to name a few. See the ASHI Standards of Practice available on our web site for a complete list. We recommend all Appliances and Mechanical Devices be operated and tested during your final walkthrough.

Clients Initials: _____

18. ROT, WOOD DESTROYING INSECTS: Home Inspection Services is a licensed pest control company. **This is available at an additional fee if desired. The home inspection report should not be confused as the WDI report.** Our method of detecting rot, termites or other wood destroying insects is by visual inspection of readily accessible areas of the home. Your inspector will not probe, break apart, deface, mar, dismantle, move, remove, or take any other actions that might be necessary to inspect non-accessible, non-visible areas of the home. Areas that are remote, but visible, will be inspected to the extent possible. Client understands and acknowledges that rot or infestation often remains invisible to the naked eye, and the inspection by Home Inspection Services is visual only. Accordingly, Home Inspection Services makes no guaranty or warranty, express or implied, regarding the existence or non-existence of rot or the presence or absence of termites or other wood destroying insects.

We emphasize that assurance of arresting or prohibiting infestation by termites or other wood destroying insects, whether concealed or discovered, can be obtained only through treatment and a warranty from a State Licensed Pest Control Company.

Clients initials: _____

19. COVID-19 – I/we understand that personal contact with others, including but not limited to, home inspectors during COVID-19 outbreak involves a certain degree of risk that could result in illness, permanent disability, or death. After carefully considering the risks involved, and in consideration of the Inspector's Companies willingness to conduct the inspection, I/we hereby release and hold harmless Home Inspection Services (Inspection Company) owners, officers, employees, contractor's agents, heirs, assigns etc. from any liability of any kind whatsoever, including injury or death claims, arising or allegedly arising out of

Inspection Companies inspection of the property noted in this agreement, regardless of the theory of recovery asserted, including but not limited to claims based on allegations of negligence. I/we intend this release to be the broadest release allowed by law.

20) LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

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sites; carbon monoxide. You agree to hold the Company and Inspector harmless for any injury, health risk or damage caused or contributed to by these conditions.

Clients Initials: _____

21. Client's Agreement & Understanding of Terms: By signing this Agreement, the undersigned Client agrees that he/she/they have read, understand, and agree to all of the terms and conditions on all pages of this Agreement, including the provisions for arbitration, and limitations and exclusions, and agree to pay the fee shown according to the terms above. The Client understands that the Client has a right to have an attorney of the Client's choice review this Agreement before signing it. The Client understands that if the Client does not agree with any of the terms, conditions, limitations and/or exclusions set forth in this Agreement, the Client is free to not sign it. The Client understands that the Client may retain another provider to perform the services contemplated by this Agreement. The Client further understands that, should the Client not agree to the terms and conditions set forth in this Agreement, the Client may negotiate with the Company for different terms and conditions.

Clients Initials _____

Client's Signature: _____

Date: _____

Inspector's Signature: _____ Abe Kurek _____

Date: _____

Inspector's Name: Abe Kurek Lic # 24GI00143700