

HOMETRAXX® STANDARD INSPECTION AGREEMENT
THIS IS A LEGALLY BINDING CONTRACT AND CONTAINS AN ARBITRATION CLAUSE

PLEASE READ IT CAREFULLY

SCOPE OF THE INSPECTION: The visual real estate inspection to be performed for Client is a survey and basic operation of the systems and components of a building which can be reached, entered, or viewed without difficulty, moving obstructions, dismantling of components, or requiring any action which may result in damage to the property or personal injury to the Inspector. All decisions regarding safety issues are made by the inspector, not the Client/buyer. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s) and report any major defects and deficiencies. Cosmetic and aesthetic conditions are not to be considered.

Inspector will prepare and provide Client a written report for the sole use and benefit of Client. The written report shall document any material defects discovered in the building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly, or appear to be at the ends of their service lives.

The inspection shall be performed in accordance with the Standards of Practice of the International Association of Certified Home Inspectors (InterNACHI) and those of HomeTraxx® (set forth below)

Note: A comprehensive inspection of a building and all attached systems requires destructive testing, significant time, and is cost prohibitive for the average homeowner/buyer. This is not a technically exhaustive/comprehensive inspection due to these constraints.

CLIENT'S DUTY: Client agrees to read the entire written report when it is received and promptly call Inspector with any questions or concerns regarding the inspection or the written report. The written report shall be the final and exclusive findings of Inspector. Past, present, or anticipated problems, as noted in this report, may not be a reason to reject a structure, but neither should a report you interpret as "favorable" be considered a reason to purchase it

Client acknowledges that Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information which can affect Client's purchase decision. Client agrees to obtain further evaluation of reported conditions before removing any investigation contingency and prior to the close of the transaction.

If a property has been recently (6 months to 1 year) painted/repainted by a seller, pre-existing conditions may have been masked or repaired and may not manifest until a later time (ie., roof overhang leaks, spots on ceilings or walls, foundation cracks, caulked or puttied wood, prior peeling paints (buyers should inquire if any adverse conditions existed before painting and were repairs performed). If so, ask for details and proof of repairs.

CODES: No check is made for building / housing code conformance. Such codes are normally guides applicable during construction to be executed by duly authorized personnel to interpret and site as per their judgment. There are often wide variances in jurisdictions, changes over time, and judgmental differences. HomeTraxx® inspectors are not authorized local code officials.

ENVIRONMENTAL CONDITIONS: Client agrees what is being contracted for is a building inspection and not an environmental evaluation. The inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, "Chinese Drywall", radon, lead, urea-formaldehyde, fungi, molds, mildew, spores, noise, PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, electro-magnetic fields, or substances in the water, air, soil, or building materials or proximity to toxic waste sites and carbon monoxide. Nor determine the effectiveness of any system installed to control or remove suspected hazardous substances. Client agrees to hold the Inspector harmless for any injuries,

health risks or damages caused or attributed to any such conditions.

LIQUIDATED DAMAGES- LIMITED LIABILITY PROVISION: Defect free construction does not exist. Latent (present but hidden) defects exist on all properties. Therefore, the written report is not a substitute for any transferor's or agent's disclosure that may be required by law, or a substitute for Client's independent duty to reasonably evaluate the property prior to the close of the transaction. This Inspection Agreement, the real estate inspections, and the written report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. Nor can you infer or understand them to be a guarantee or warranty of the adequacy, performance or condition of any structure, system or any other item inspected or omitted from inspection.

Client has contracted with HomeTraxx® for its inspector's professional best efforts under imposed and expressed limitations described in this contract, and Client hereby holds Company and its agents and employees harmless from all liability and responsibility for the cost of repairing or replacing any unreported defect or deficiency and for any consequential damage, property damage or personal injury of any nature. The negotiated settlement of Company shall be limited to \$500.00 or twice the fee paid by the Client (whichever is greater) as an expressed condition of Company's and inspector's performing the inspection for Client. Client also understands and agrees that he/she/they are free to consult with another professional if you do not agree with this provision.

WAIVER OF SUBROGATION: Client agrees to preclude the home buyer's insurance company from recovering damages against HomeTraxx's insurance company even if the insurer pays the home buyer for a claim submitted under a policy of insurance for damage to the house which should have been detected by HomeTraxx Home inspection. Waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.

In the event Client becomes aware of a reportable condition which was not reported by Inspector. Client agrees to promptly notify Inspector and allow Inspector and/or Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. Client agrees that any failure to so notify Inspector and allow inspection is a material breach of this Agreement.

Time is of the essence to bring any claim against Company. Any and all claims shall be barred and void if proper notice of same is not specifically described in writing and actually delivered to Company (address above) not later than NINETY (90) days after the date of inspection. Facsimile transmittals shall not be accepted for this purpose, and certified and regular mail is suggested with date of postmark to serve as date of notice. I agree that any claim or lawsuit relating to my home inspection with HomeTraxx must be filed no more than three (3) months after the date of the completed inspection. I waive any statute of limitations to the contrary.

This Agreement shall be binding upon and accepted to the benefit of the parties hereto and their heirs, successors, and assigns. This Agreement constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement.

REPORT/DATA USE PROVISION: You agree we may share this report and any other separately contracted HomeTraxx® test reports with your realtor. Client agrees that data obtained from this inspection may be used by HomeTraxx® for comparative property purposes. No further report duplication/distribution is authorized.

SEVERABILITY: This agreement shall be governed by the laws of the State of Ohio. Should any provision of this Agreement be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, unimpaired by the court's holding.

DISPUTE RESOLUTION - ARBITRATION CLAUSE: Any dispute, controversy, interpretation or claim including, but not limited to, claims for breach of contract, negligence, fraud or misinterpretation arising out of, from or related to this Agreement and/or the inspection or Inspection Report shall be subject to non-binding mediation. Absent a voluntary resolution or settlement through non-binding mediation, the matter will be followed by final and binding arbitration through Construction Dispute Resolution Services, LLC or Resolute Systems, Inc. utilizing their respective rules and procedures. If the dispute is submitted to binding arbitration, the decision of the arbitrator appointed shall be final and binding and the enforcement of the arbitration award may be entered in any Court or administrative tribunal having jurisdiction thereof. The arbitrator must also award the prevailing party all of its reasonable fees and costs, including the cost of the arbitration and any arbitrator fees, administrative fees, travel expenses, court costs, witness fees and attorney's fees and \$100 per hour for HomeTraxx inspector time. If the Client wishes to utilize mediation or arbitration other than those identified here, Client shall submit his/her/their recommendation(s) to Company/Inspector in writing for consideration.

NOTICE: ALL PARTIES UNDERSTAND AND AGREE THAT THEY WOULD HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT PROCEEDING AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE ANY AND ALL DISPUTES THROUGH MEDIATION AND/OR BINDING ARBITRATION.

Residential Standards of Practice

Foundation, Basement and under floor areas: Item is inspected: 1. Foundation system, 2. Floor Framing System, 3. Under Floor ventilation, 4. Foundation anchoring and cripple wall bracing, 5. Wood separation from soil, 6. Insulation. **The inspector is not required to:** 1. Determine size spacing, location, or adequacy of foundation bolting\bracing component or reinforcing systems, 2. determine the composition or energy rating of insulation material.

Exterior: Item to be inspected: 1. Surface grade and drainage directly adjacent to the building, 2. Doors and windows, 3. Driveways, attached decks, porches, patios, balconies, stairways and their enclosures, 4. Wall cladding and trim. **The inspector is not required to:** 1. Inspect door and window screens, shutters, awnings or security bars. 2. Inspect fences or gates or operate automated door or gates openers or their safety device. 3. use ladder to inspect system or component.

Roof Covering: Item to be inspected: 1. Covering, 2. Gutter and Drain System (above ground), 3. Flashings, 4. Penetrations, 5. Skylights. **The inspector is not required to:** 1. Walk on the roof surface if in the opinion of the inspector there is risk of damage or a hazard to the inspector. 2. Warranty or certify that roof system, flashings, or components are free from leakage. Test gutter and drainage systems for blockage. Roofing inspection is a general overview of the condition of the roof from the ground or eaves or other visible points. We do not provide a forecast of the expected life span of existing installed roofing.

Attic Area and Roof Framing: Items to be inspected: 1. Framing, 2. Ventilation, 3. Insulation. **The inspector is not required to:** 1. Inspect mechanical attic ventilation systems or components, 2. Determine the composition or energy rating of insulation materials. To avoid damage claims and other risks, inspectors do not climb to inspect or walk roofs without interior or safe exterior access with 12 foot ladder, nor walk attics that are un-floored. Roofs, chimneys, gutters, and roof penetrations are observed from the ground with binoculars, which impose obvious limitations on this part of the

inspection. Insulation and other access obstacles such as stored materials and covered items are not moved for inspection.

Plumbing: Item to be inspected: 1. Water supplying piping, 2. Drain, waste, and vent piping, 3. Faucets and fixtures 4. Fuel gas piping, 5. Water heaters, 6. Functional flow and functional drainage. **The inspector is not required to:** 1. Fill any fixture with water or inspect drains-steps, or evaluate backflow devices, waste ejectors, sump pumps, or line cleanouts. 2. Inspect or evaluate water temperature balancing devices, temperature fluctuation, time to obtain hot water, water circulation, or solar heating systems or components. 3. Inspects whirlpool baths, steam showers, or sauna systems or components 4. Inspect fuel tanks or determine if the fuel gas system is free of leaks 5. Inspect wells or water treatments systems. 6 Septic Systems.

Electrical: Item to be inspected: 1. Service equipment, 2. Electrical panels, 3. Circuit wiring, 4. Switches, receptacles, outlets, and lighting figures. **The inspector is not required to:** 1. Operate circuit breakers or circuit interrupters. 2. Remove cover plates. 3. Inspect de-icing system or components. 4. Inspect private or emergency electrical supply system or components

Heating, Cooling and Ventilation: Item to be inspected : 1. Heating equipment, 2. Central cooling equipment, 3. Emergency source and connections, 4. Combustion air and exhaust vent system, 5. Condensate drainage, 6. Conditioned air distribution system. **The inspector is not required to:** 1. Inspect heat exchangers or electric heating elements. 2. Inspect non-central air conditioning units or evaporative coolers. 3. Inspect radiant, solar, hydroid, temperature, airflow, balance, or leakage of any air distribution system. 5. Inspect electronic air filtering or humidity control system or components. We do not evaluate the condition of grease traps and exhaust/discharge piping in kitchen vent hood assemblies.

Fireplaces and Chimneys: Item to be inspected: 1. Chimney exterior, 2. Spark arrestor, 3. Firebox, 4. Damper, 5. Hearth extension. **The inspector is not required to:** 1. Inspect chimney interiors. 2. Inspect fireplace inserts, seals, or gaskets. 3. Operate any fireplace or determine if a fire place can be safely used

Building Interior: Item to be inspected: Walls, ceilings, and floors, 2. Doors and window, 3. Stairways, handrails, and guardrails, 4. Permanently installed cabinets, 5. Permanently installed cook-tops, mechanical range vents, ovens, dishwasher, and food waste disposers, 6. Absence of smoke alarms, 7. Vehicle doors and openers. **The inspector is not required to:** 1. Inspect window, door, or floor coverings (ie., blinds) 2. Determine whether a building is secure from unauthorized entry. 4. Use a ladder to inspect systems or components. Open basement windows. Any enclosed floors with wall to wall coverings cannot be accessed. Closet items are not moved for inspection.

Limitations, Exceptions, and Exclusions

A. The following are excluded from a HomeTraxx® real estate inspection:

1. System or components of a building, or portion thereof, which are not readily accessible, not permanently installed, or not inspected due to circumstances beyond the control of the inspector or which the client has agreed are not to be inspected 2. Site improvements or amenities, including, but not limited to: accessory buildings, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, and waterfalls, fountains and their components or accessories. 3. Auxiliary features of appliances beyond the appliances basic function. Refrigerators and central vacuum systems. 4. System or components, or portion thereof, which are under ground, under water, or where the inspector must come into contact with water. 6. Determining compliance with manufactures" installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or their restrictions. 7. Determining adequacy, efficiency, suitability, quality, age, or remaining life of any building, system, or components or marketability or advisability of purchase. 8. Structural, architectural geological, environmental, hydrological, land surveying, or soils-related examinations. 9. Acoustical or other nuisance characteristic of any system or component of a

building, complex, adjoining property, or neighborhood. 10. Condition related to animal, insects or other organisms, including fungus and mold, and any hazardous, illegal, or controlled substance, or the damage or health risks arising there from. 11. Risks associated with events or conditions of nature including, but not limited to: geological, seismic, wildfire and flood. 12. Water testing and building, system or components or determine leakage in showers pans, pools, spas, or any body of water. 13. Determining the integrity of hermetic seals at multi-pane glazing. 14. Differentiating between original construction or subsequent additions or modifications. 15. Reviewing information from any third party, including but not limited to: product defects, recalls, or similar notices. 16. Specifying repairs/replacement procedures or estimating cost of correct. 17. Communications, computer, security, or low-voltage system or remote, timer, sensor, or similarly controlled system or components. 18. Fire extinguishing and suppression system and components or determining fire resistive qualities of materials or assemblies. 19. Elevators, lifts, and dumbwaiters. 20. Lighting pilot lights or activation or operating any system, component, or appliance that is shutdown, unsafe to operate, or does not respond to normal user control.. 21. Operating shutoff valves or shutting down any system or components. 22. Dismantling any system, structure, or components or removing access panels other than those provided for homeowner maintenance.

B. The inspector may at his or her discretion:

1. Inspect any building, system, component, appliance, or improvements not included or otherwise excluded by these Standards of Practice. Any such inspection shall comply with all other provisions of these Standards.
2. Include photographs in the written report or take photograph for inspector's reference without inclusion in the written report. Photographs may not be used in lieu of written documentation.

Liability Disclaimers

1. **Heath:** The presence of water penetration in the home automatically indicates the need for mold/environmental/air testing, as it may cause structural and/or health problems, up to and including making the home uninhabitable and people sick. Sources of moisture must be eliminated.
2. **Basement/crawl spaces:** We do not promise that a “dry” area below grade will remain so, or that a damp or wet one will not get more wet. We report conditions on the day we see them. Many variables affect these areas, including but not limited to gutters/downspouts, grading, the functioning of drainage systems (yours and the city/area you live in), the water table, the porosity of the soil, and variable soil and weather conditions.
3. **Government:** A home inspection will not determine a property’s boundaries or whether appropriate permits for additions or improvements have been obtained. Nor will it address title issues, zoning issues, easements, covenants and the like.
4. **Concealed Components:** Electrical system components that are buried in walls, floors, ceilings, under insulation, and otherwise inaccessible behind stored materials are not inspected, including subterranean lines. Finished basements can only be inspected on the finished surfaces. Damage buried behind stud walls, finished ceilings and covered floors is not determinable unless damage protrudes through the finished surface. Structural defects that are not visible due to lack of access, finished walls, floors, and ceilings or obstructed by stored materials are not able to be determined at time of inspection. This includes termite damage, stress fractures in structural elements, dry-rot, mechanical system structural penetrations and architectural design defects.
5. **Electrical:** Federal Pacific breaker systems should be replaced. Class action lawsuits determined that these breaker systems present a fire, shock hazard. Older knob and tube wiring systems are not grounded and insulation cannot touch these knob and tube systems. These older systems present a possible hazard and are possibly uninsurable by some insurance companies.
 - a) **Siding:** Exterior stucco and EIFS systems have had class action lawsuits against manufacturers of these materials in the past. At time of inspection we will use non-destructive testing to evaluate moisture content of stucco walls. Hidden damage may exist behind materials that can only be determined with invasive testing methods that we do not conduct during the course of a normal home inspection. Louisiana Pacific - OSB Siding: Looks like wood lap siding but has a tell tale 2 1/4" knot in pressed front of boards. Class action lawsuits exist for this type of siding due to moisture damage.
6. **Aesthetics:** We do not inspect for superficial cosmetic/aesthetic defects. Many of these items are normal wear and tear. This includes stains on carpets and flooring, minor drywall damage, minor paint wear, condition of textiles and window coverings, scratches, chipping and marring of moldings, flooring and countertops.

7. **Separate Testing:** Specific testing can be conducted for water, radon, lead, asbestos, mold, air quality, indoor contaminates, termites/boring insects and general pests. Should you wish to conduct any of these separate tests/inspections please request further information as these require separate contracts for testing and possibly require separate testing times be scheduled. Standard inspections include moisture testing only in suspect (water damage) areas using non-invasive testing. Full house (non-destructive) moisture testing is available to evaluate wall, floor, ceiling conditions (for hidden damage) at an additional cost.
8. **Separate Inspections:** Optional system inspections include pool, hot tub and saunas at an additional charge.
9. **Cost Estimates:** Cost estimates for repairs can be provided to clients at an additional charge. This separate evaluation requires significant additional information and measurements gathered for estimating purposes. Therefore, please let us know in advance if you want us to provide cost estimates. Separate service fee applies for cost of repair estimate information.
10. **Environmental Conditions:** Visible and observable inspection items are limited by weather conditions including temperature, rain, snow and ice and lighting based on time of day. Inspector will not discover or report on any and all latent defects including defects not visible to the inspector due to environmental conditions such as but not limited to temperature and direct or indirect lighting or absence thereof.
11. **Pests:** HomeTraxx® Inspection company will not be held responsible for any damages financially or otherwise from any pest infestation, past present or future.

Other Services:

It is understood and agreed to by the parties hereto that all the provisions, limitations, exceptions and exclusions of this agreement shall apply to any optional services agreed to by the parties.

Client acknowledges having read and understood all the terms, conditions and limitations of this agreement and voluntarily agrees to be bound thereby and to pay the fees listed here and agrees that my electronic submittal of this form is a legally binding signature and binds all Clients.

By clicking accept terms and conditions on our website and completing the information form, client accepts and is bound by this agreement and the applicable fee pricing for inspection.

A printed or emailed version of this contract will be provided to customer at time of inspection, if requested. The inspection report will include actual inspection fees as a client receipt for inspection services.

Applicable pricing will be charged according to HomeTraxx® standard fee schedule for inspections. Pricing is standard and based on the size and complexity of a property.

Inspectors: Richard Ruscin or Rob Biermann

Online Acceptance of this published contract.

Fax: 440-287-6017

Email: rbiermann@HomeTraxx.com or rruscin@HomeTraxx.com

HomeTraxx® 17982 Elliott Drive, Chagrin Falls, Ohio 44023, 888-914-6631 Phone