

INSPECTION AGREEMENT & TERMS AND CONDITIONS

THIS AGREEMENT IS AN IMPORTANT BINDING LEGAL DOCUMENT AND MUST BE SIGNED BEFORE THE INSPECTION OR INSPECTION RESULTS ARE DISCLOSED. CLIENT AGREES THAT THE AGREEMENT IS CONSTRUCTIVELY SIGNED IF THE INSPECTION IS UNDERTAKEN WITHOUT THE CLIENT'S ATTENDANCE.

THIS AGREEMENT, made and entered into on the date entered above by and between the above named Client(s) hereafter referred to as 'Client' and Richard A Schor, Tennessee Licensed Inspector Number 92, DBA The EZ Report, hereinafter referred to as 'Inspector'.

1. The EZ Report shall inspect the structure located at the address noted above hereinafter referred to as 'Property' on the date indicated above, and provide Client with a written inspection report hereinafter referred to as 'Report' in compliance with the Standards of Practice and Code of Ethics of the American Association of Home Inspectors (ASHI) and the Tennessee Standards of Practice as modified by this Agreement. The purpose of the inspection is to identify systems and components of the Property that, in the professional opinion of the Inspector, are significantly deficient. The inspection and Report will be limited to visible and readily and safely accessible areas and components of the Property. The inspection is limited to the apparent condition of the Property at the time of the inspection.
2. Client shall pay The EZ Report an inspection fee as enumerated on the attached invoice which is incorporated into this agreement by reference, is payable on or before the inspection. Client shall pay a \$25.00 charge for any dishonored check.
3. **LIMITATION OF LIABILITY. UNLESS PROHIBITED BY THE LAWS OF THE STATE OF TENNESSEE, CLIENT EXPRESSLY AGREES THAT ITS SOLE AND EXCLUSIVE REMEDY FOR ANY AND ALL LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, ATTORNEY FEES AND LITIGATION COSTS) RELATING TO THIS AGREEMENT OR THE INSPECTION AND REPORT PROVIDED BY THE EZ REPORT, IS LIMITED TO LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO THE INSPECTION FEE PAID BY CLIENT. CLIENT HEREBY WAIVES AND RELEASES ALL OTHER CLAIMS IT MAY HAVE NOW OR IN THE FUTURE AGAINST THE EZ REPORT, ITS INSPECTORS, EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PRINCIPALS, PARTNERS, AFFILIATES, SUCCESSORS, HEIRS, ASSIGNS AND LEGAL REPRESENTATIVES, INCLUDING, WITHOUT LIMITATION, CLAIMS FOR BREACH OF CONTRACT, BREACH OF WARRANTY, PROMISSORY ESTOPPELS, NEGLIGENCE, PROFESSIONAL MALPRACTICE, OR OTHER TORT. CLIENT HEREBY WAIVES AND RELEASES ANY CLAIM ARISING UNDER THIS AGREEMENT OR THE REPORT, UNLESS THE EZ REPORT IS NOTIFIED OF THE CLAIM WITHIN ONE YEAR AFTER THE DATE OF THE INSPECTION. EACH PARTY HEREBY WAIVES THE RIGHT TO OR ANY CLAIM FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL, MULTIPLE, OR PUNITIVE DAMAGES AGAINST THE OTHER (EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF), AND AGREES THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH PARTY WILL BE LIMITED TO ACTUAL DAMAGES. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY. ANY LEGAL ACTION WHATSOEVER AND FOR ANY PURPOSE SHALL OCCUR IN DAVIDSON COUNTY, TENNESSEE, WITHOUT EXCEPTION.**
4. The inspection **WILL INCLUDE** all of the following systems and components of the Property unless otherwise indicated: Foundation, Electrical Systems, HVAC Systems, Structural System, Plumbing System, Roof
5. The inspection **WILL NOT INCLUDE** the following systems or components, whether or not they are visually accessible, and they are hereby specifically excluded unless otherwise indicated: Underground Utilities, Security Systems, Detached Buildings, Intercom Systems, Swimming Pools, Water Analysis, Tennis Courts, Wells and/or Springs, Lead Based Paint, Solar Heating Systems, Cesspools, Personal Property, Drain fields, Water Softeners, Septic Tanks, Playground Equipment, Trash Compactors,
6. Notwithstanding anything to the contrary in this Agreement, in the ASHI Standards, and/or in the Tennessee Standards of Practice, the purpose and scope of the inspection and Report are limited to the identification and disclosure of 'MAJOR DEFECTS' only. A 'MAJOR DEFECT' is any single defect in a system or component of the Property that cannot be corrected, repaired or replaced for \$1,000 or less. Although the inspector and the Report may nonetheless identify non-major defects, The EZ Report does not undertake, and is not required, to identify or report any defect that could be corrected, repaired or replaced for \$1,000 or less, or any system or component that could be rendered safe or functional for \$1,000 or less, all of which are specifically excluded from the scope of the inspection and Report.
7. The inspection and Report **WILL NOT INCLUDE** the following systems, components, conditions, or substances, whether or not visually-observable, and they are hereby specifically excluded from the scope of the inspection unless otherwise specifically indicated: (a) latent or concealed defects; (b) non-built-in appliances; (c) the adequacy or efficiency of any system or component; (d) compliance with past or present building, fire, or other governmental codes or regulations; (e) the operation of security locks, devices, or systems; (f) the presence of or damage caused by termites, rodents, ants, birds, or other wood-boring organisms; (g) survey, appraisal, or flood plain certification; (h) matters of title, zoning, or compliance with restrictive covenants; (i) property boundaries, encroachment, adverse possession, and the placement of fences and walls; (j) the presence of or danger from asbestos, radon gas, lead paint and lead exposure hazards, carbon monoxide, urea formaldehyde, toxic or flammable chemicals, water or airborne related illness or disease, mold, mildew or fungi, moisture content of walls, floors, ceilings, or siding, or any other substance not visually detectible; (i) water and air quality, soil, and geological site engineering conditions; (j) exterior

insulated finishing systems (EIFS); (k) product recalls relating to any system or component of the Property; and (l) cosmetic items. Client is urged to contact a reputable specialist if information, identification, or testing for any of the foregoing conditions or substances is desired or indicated.

8. Inspectors are not required to move or open debris, furniture, equipment, carpeting, walls, floors, ceilings, water, ice, snow, soil, vegetation or other materials, objects or personal property that may impede access or limit visibility. Inspectors are not required to enter any area that may contain hazardous or unsafe materials. No invasive or destructive testing will be conducted. No equipment or systems will be dismantled. Inspectors are not required to enter attic spaces that are unsafe or if access might damage ceilings or insulation or without a properly installed catwalk. Inspectors are not required to walk on or access a roof if doing so might damage the roof or roofing materials or be unsafe for the inspector. Inspectors are not required to enter crawl areas where the headroom is less than three feet or where adverse conditions exist or where the crawl space access is less than 18 x 24 inches.. Inspectors are not required to test the function or operation of shutters, awnings, window coverings, or similar accessories. Thermostats and timers are not checked for accuracy or calibration. Inspectors will not activate heating and cooling systems that have been shutdown or taken out of service. Air conditioners cannot be safely checked when the outside temperature has been below 60° within 24 hours. Pressure gauges are not used to test air conditioners. Garbage disposals are checked for operation only. Dishwashers are checked only for their ability to fill and drain properly. The absence of visible indications of water penetration in an attic or basement at the time of the inspection is NOT conclusive evidence that the roof or basement is free from leakage. The inspector may observe actual water penetration in these areas only if the inspection is conducted during a prolonged period of heavy rainfall.
9. The services listed below are specifically excluded from the inspection unless otherwise indicated. In order to receive the additional services listed below (notwithstanding the limitations of Sections 4 and 5 herein), the service must be listed on the attached invoice..
 - a. **Pest (Excluded).** This inspection, if included, is an examination to identify the presence or absence of wood-destroying insects and organisms such as termites, carpenter ants, powder post beetles, carpenter bees, or wood decay fungus. The inspection WILL attempt to identify any visually apparent major structural damage caused by such organisms. The inspection WILL NOT include an examination to identify the presence or absence of rodents or other vermin or insects not expressly included above. All pest examinations WILL be performed by inspectors who meet all Tennessee state standards for performing pest inspections in which the Property is located. Results are reported on the National Pest Association form for reporting inspection findings.
 - b. **Radon Gas (Excluded).** This inspection, if included, is an examination to identify the presence of radon gas. All radon gas examinations will be performed by inspectors who meet National standards for performing radon gas inspections in which the Property is located. (The EPA recommends that all homes be tested for the presence of radon gas.). The EZ Report utilizes femto-TECH CRM-51- radon gas monitors.
 - c. **Mold (Excluded).** This inspection is a test to identify the presence, different types, or level of mold or mold spores in the home. A mold test will NOT be included in the inspection or Report unless Client executes a separate Mold Test Agreement.
 - d. **Septic (Excluded).** This inspection, if included, is a dye test of the septic system and drain field. The test is designed to uncover drain field failures. It does not establish the septic systems capacity.
 - e. **Well (Excluded).** This inspection, if included, collects water samples that are processed by a Tennessee certified chemist. Results are reported by the chemist 48 hours after the sample is submitted.
 - f. **Pool/Spa (Excluded).** This inspection, if included, provides information about any installed above or below ground pool or spa. Leaks in the pool shell or liner are not a part of this inspection and cannot be determined during the duration of the home inspection.
 - g. **Sprinkler (Excluded).** This inspection, if included, provides an inspection of all zones of the house lawn and shrubbery sprinkler installation. Check valves are not part of the inspection and require specialized testing equipment not available to the Inspector.
 - h. **EIFS (Excluded).** This inspection, if included, provides a comprehensive opinion of the Exterior Insulation and Finished System that may be installed on the structure.
10. THE INSPECTION AND RESULTING REPORT ARE NOT INTENDED AS A GUARANTY, WARRANTY, OR INSURANCE POLICY. THE EZ REPORT MAKES NO EXPRESS OR IMPLIED GUARANTIES OR WARRANTIES REGARDING THE CONTINUED ADEQUACY, PERFORMANCE, OR CONDITION OF ANY STRUCTURE, ITEM, COMPONENT OR SYSTEM AFTER THE INSPECTION, AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES.
11. Client shall provide The EZ Report with written notice of any unreported defect or deficiency, of any damage or injury caused by The EZ Report, its employees or agents, or of any other claim ("Claims"), within ten business days after Client discovers or reasonably should have discovered the Claim. Client shall not commence any legal proceeding relating to the Claim for thirty days after The EZ Report's receipt of notice of the Claim, during which time Client shall provide The EZ Report with reasonable access to the Property and opportunity to investigate and cure the Claim. If Client fails to provide The EZ Report with the notice or cure period, or alters, repairs or replaces any system or component of the Property that

may have a bearing upon the Claim, thereby preventing The EZ Report from independently verifying the existence or extent thereof, then Client shall be deemed to have irrevocably waived and released the Claim against The EZ Report, its inspectors, employees, agents, officers, directors, shareholders, members, principals, partners, affiliates, successors, heirs, assigns and legal representatives.

12. The inspection and Report are intended for Client's sole, confidential, and exclusive use and benefit. The Report is not intended for the benefit of, and may not be relied upon by, any other party. The Report is the intellectual property of The EZ Report and may not be copied or distributed without the express permission of the Inspector and the client. The disclosure or distribution of the Report to the current owner(s) of the Property or real estate agents will not make such persons intended beneficiaries of the Report. Client shall indemnify and defend The EZ Report, its inspectors, employees, agents, officers, directors, shareholders, members, principals, partners, affiliates, successors, heirs, assigns and legal representatives, and hold each of those parties harmless, from and against all losses, damages and expenses (including, without limitation, attorney fees) arising from any claim asserted by any third party relating to this Agreement or the Report.
13. Any controversy or claim arising out of or related to this Agreement, its breach, or the Report must be settled by binding arbitration in accordance with the rules of the American Arbitration Association, and judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction. The arbitrator must award the prevailing party all of its reasonable costs and fees of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, court costs, witness fees and attorney fees. Notwithstanding the foregoing, any claim within the jurisdiction of a Davidson County, Tennessee small claims court may be asserted in an action filed in such court, and these arbitration provisions will not apply to the claim.
14. This Agreement represents the entire agreement between the parties, and any prior agreements and understandings are hereby superseded and merged into this Agreement. All rights, duties, obligations and remedies of either party relating to the subject matter of this Agreement shall arise from and be governed solely by this Agreement, and each party expressly waives and relinquishes all claims in tort (whether based upon statute, common law, or otherwise) it may have, now or in the future, against the other party relating to the subject matter of this Agreement. Any change, modification, or amendment to this Agreement must be in writing and signed by all parties. This Agreement is binding upon and inures to the benefit of the parties and their respective heirs, successors, and assigns. If any provision of this Agreement is illegal, invalid or unenforceable, that provision will be deemed to be modified or eliminated to the extent necessary to permit its enforcement to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will not be affected thereby. The laws of the State of Tennessee govern all aspects of this Agreement without exception.