MHI Services, Inc. d/b/a MEYERS HOME INSPECTIONS 35 Glenside Road, South Orange, NJ 07079 Tel: 973-763-7090 Fax: 973-758-6770

Home Inspector of Record, Ronald R. Meyers, NJ HI License 24GI00010700

AGREEMENT FOR HOME INSPECTION SERVICES

THIS AGREEMENT is made on,	by and between MHI Services, Inc, d/b/	a Meyers Home Inspections, (the
"Company"), and, current mailing	g address	(the "Client").
Contact phone: EMail:		
Realtor or Home Owner Contact:	Scheduled Home Inspector:	(subject to change)
The Company agrees to perform a Home Inspec	ction (and any additional services listed b	elow) of the residential property known
This inspection is scheduled to be done on		
Services Ordered	Cost	
Home Inspection	\$	
Wood Destroying Insect Inspe	ection \$	(sub-contracted)

*This is a special reduced charge for radon testing where only <u>one additional visit</u> to the home is required to complete the test. If conditions in the home are not appropriate for radon testing we will not initiate the test on the date of the home inspection, and two additional visits to the home will be needed to complete the radon test. An additional charge of \$75.00 for the additional visit will be charged.

\$

\$

\$

By special agreement between the client and company, the following systems that would normally be part of a home inspection are **excluded**: ______. Client Initial Acceptance Here: _____.

If any included systems or components cannot be inspected because of conditions that are not in our control at the initial home inspection, at your written request, we will return at a later date for a re-inspection for an additional fee based on our rate of \$250.00/hr.

The total amount for the Home Inspection and any additional services is payable in full on or before the close of the Home Inspection.

INCLUDED in INSPECTION: MHI Services, Inc. agrees to conduct an <u>Inspection</u> of the subject property. The term "Inspection", as used in this agreement, shall mean a **limited and primarily visual inspection of the readily accessible and exposed areas and apparent conditions existing at the time of the inspection only. Latent and concealed defects and deficiencies are excluded from the Inspection. In accordance with N.J.A.C. 13:40-15.16, the inspection shall be limited to those areas that do not require any invasive measures to inspect the items. The inspector is NOT** to be responsible for the moving of items including, but not limited to appliances, furniture, floor coverings or storage for the purpose of conducting the inspection is not intended to establish the value of the subject premises or any portion thereof. No representation or recommendation is made or intended regarding the advisability of purchase. The major functional systems and building components include: structural components where accessible, central heating (humidifiers, electronic filters, and zone controls not included), central air conditioning (weather permitting), interior plumbing, electrical systems, roofing, interior components, fireplaces, water heaters, and permanently installed appliances unless otherwise indicated in the report.

SYSTEMS EXCLUDED FROM THE INSPECTION: There is NO representation that the inspection covers <u>all</u> aspects of the building or systems, including structural conditions. Among conditions and/or considerations that are specifically NOT INCLUDED are: Testing for or otherwise attempting to detect the possible presence of or danger from mold/mildew or other fungal growth/spores, asbestos, radon (unless separately ordered), natural gas, urea formaldehyde, lead in paint or water, soil contamination and other indoor or outdoor pollutants, toxic or flammable chemicals, water or airborne related illnesses or diseases, and all other similar or potentially harmful substances or environmental conditions. Also excluded are below-ground fuel storage tanks, or any other ecological or environmental materials or conditions. The Home Inspection does not include underground water wells, underground sewage disposal systems, underground water supply or wastewater piping, pools, security systems, central vacuum systems, intercoms, water softeners, and/or the presence or absence of rodents, termites and other insects. Cosmetic deficiencies are excluded, including without limitation, paint, wall-coverings, carpeting, flooring, paneling, lawn and landscaping. The following systems or components are also excluded from the Home Inspection: Common areas maintained

Radon Screening Test (Canister type)*

Other Services

Total Amount Due

as:

by a condo or an owners association; appliances that are not permanently installed or connected; laundry appliances; any parts of the home that are currently undergoing renovation and are incomplete.

EIFS (Synthetic Stucco) Exclusion: Evaluation of exterior facades covered with "EIFS" or synthetic stucco is specifically

EXCLUDED from this inspection, since proper inspection of such systems cannot be done in the course of a home inspection. We are not certified EIFS inspectors. We are not insured for defects related to this type of inspection. We recommend that if such systems are present, evaluation by others expert in this area of construction be consulted.

Further Limitations: MHI Services, Inc. is not responsible for, nor can it inspect building areas or systems components that were not visible or were otherwise hidden from view because of paneling, drywall, suspended ceiling materials, carpeting, furniture, stored items, wall coverings, appliances, shrubbery, snow, soil, or any other material. If the structure being inspected is under construction or in process of being renovated, or is newly constructed or has been vacant for more than 3 months, then it may not be possible to make an assessment for inadequacies, defects, or potential hazards due to the incomplete nature of the construction or renovation work, and adequate indications or clues to latent defects may not yet be present, and our inspection may not be able to disclose these latent defects, and the client therefore agrees to hold the Company harmless against this type of latent defect that might be discovered subsequent to our Inspection. The Company does not endorse or guarantee the integrity of any component of the home that was built or installed without permit, and which could include latent defects, or any item that may have been subject to a manufacturer's recall. We make no representations or warranty that the Property complies with building, plumbing, mechanical, electrical or zoning codes and/or local ordinances. This is not a code-compliance inspection. What we provide is a conscientious non-destructive inspection conforming to NJ regulations and industry standards. Maintenance and other considerations may be discussed but are not a part of the inspection. The inspection and report do not address compliance with past or present governmental building codes or regulations of any kind, nor do we inspect for or address risk management, loss control considerations or otherwise provide safety inspection services. The Client understands that any verbal repair or replacement cost estimates given at the time of the inspection are only price approximations intended to be a source of initial guidance only. They are not an offer to affect repairs, and the Client is urged to seek other opinions and estimates from specialists in that field when making decisions regarding repairs. Our fees are based on a single limited-time visit to the Property. If additional visits are required for the Property inspection, additional fees will apply. If additional visits are required for any other reason, additional fees will apply. If you have ordered additional tests or inspections done by others, including, but not limited to Radon, Water, Septic, Lead, Wood Destroying Insects, Asbestos, and exhaustive technical inspections, those services, and reports are independent of our Inspection and Report, and are services for which we assume no liability.

STANDARDS of PRACTICE: I am aware that the inspection is limited to visual observations only and that its purpose is to help me identify "Material Defects" in the dwelling that would affect the typical purchaser's buying decision. MHI Services, INC. ("we" or "us" or "our") agrees to use their best efforts and abilities, consistent with N.J.A.C. 13:40-15 of the New Jersey Administrative Code and the *American Society of Home Inspectors, Inc*®. (ASHI) Standards of Practice and ethics, and applicable Regulations and Standards set out in N.J.A.C. 13:40-15.16 to provide me with a report stating the "*Material Defects*" present, significance of these "Material Defects", and recommendations relevant to these *Material Defects*. As per NJ 13:40-15.2, "Material Defect" means 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. The inspection and/or report may exceed applicable Standards as to certain items or reported conditions. Such instances are not intended to imply, nor should they be construed to mean, that the inspection and/or report are intended to or will exceed such Standards as to other items or reportable conditions. A written Inspection Report ("Inspection Report or Home Inspection Report") shall be prepared for the sole confidential and exclusive use and possession of the Client and is not to be utilized or relied upon by any other person or entity.

A summary of the systems and components that will be inspected and reported on as required pursuant to N.J.A.C. 13:40-15.16 is noted under "INCLUDED in INSPECTION" below. Home Inspectors are governed by the rules in the New Jersey Administrative Code contained in N.J.A.C. 13:40-15.16. The Licensee shall comply with these regulations, and failure to comply with these regulations may subject the Licensee to discipline. A complete copy of the Regulations can be obtained on the internet at www.state.nj.us/lps/ca/laws/hiacregs.pdf.

Sub-Contracted Services: We may **Sub-Contract** wood destroying insect inspections, water tests, and other tests, but only at your specific request. When this is done, it will be disclosed on the first page of this agreement as "sub-contracted". The cost for these subcontracted services is included in the total fee payable to MHI Services, Inc. as a convenience only. If the client wishes, these fees for additional sub-contracted services may be paid directly to the providers of such services and deducted from the total fee. We assume no responsibility for errors and omissions or negligence by independent subcontractors. Disputes related to subcontracted services must be settled directly with the sub-contractor providing the additional service.

Radon Testing: If a Radon Screening Test is ordered to be performed by this company, please be advised that this company conforms to the procedures and protocols of the State of NJ as regulated by the NJDEP. This test is performed using approved methods, and the radon test is done in association with a NJ certified radon measurement business and is processed by a certified laboratory. Please be aware that since the test equipment must be left unattended in at the subject property location, it is possible that tampering can take place, and the results of this test can therefore be inadvertently or fraudulently altered by persons at the test site. If you are not willing to assume this risk, then we recommend that the test be deferred until conditions are secure and/or appropriate for radon testing.

<u>Client is Urged to Attend the Inspection</u>, and by failing to, so loses the opportunity to learn important information from the company about the condition of the premises. Client agrees to allow the home inspection to take place as scheduled even if Client is not present at the inspection site. Client is requested to inform the Company prior to the inspection of any areas or conditions or particular concern about the house, and of any prior inspection reports or disclosures in their possession.

Cancellation Terms: If this inspection is cancelled by you without at least 24 hours notice (48 hours notice if the inspection is scheduled for Saturday, Sunday, or a legal holiday), or if we arrive at the scheduled time and access to the home is not provided by the real estate agent or owner, we have a right to charge you for the home inspection services, however this charge will be fully creditable towards another inspection you may order within 60 days.

PRIOR TO CLOSING: As not all conditions are apparent on the inspection date, it is recommended and you agree to consult with the seller regarding any significant defects/malfunctions known to exist to the seller with regard to major structural components, operating systems, and mechanical components of the Property prior to closing the transaction. In addition, you are advised to operate and check all systems and equipment just before closing on the Property as failures and defects may very well occur in the time period between the inspection and the closing. You are further advised with regard to vacant buildings, to have all systems operational for careful checking just prior to closing. Systems, particularly heating and plumbing, and water-based appliances have been known to fail in vacant buildings.

LIMITATION OF LIABILITY

(A) The liability of MHI SERVICES, INC. and its agents or employees is strictly limited to the specific accessible areas which were evaluated and which were specifically requested to be evaluated by the client in writing prior to the Inspection. (B) The client agrees that MHI SERVICES, INC. and its agents or employees will have no liability for latent conditions and defects, and it is specifically agreed and understood that: Mechanical devices may operate at one moment and later

malfunction, therefore, MHI SERVICES, INC. and its agents or employees' liability is specifically limited to those situations where it can be conclusively shown that the mechanical device inspected was inoperable, or in need of immediate repair, or not performing the function for which it was intended at the time of the inspection. (C) The client agrees that MHI SERVICES, INC. and its agents or employees will have no liability for failing to detect a defect, malfunction, inoperative condition, or needsity for repair, where the defect, malfunction, inoperative condition, or need for repair was concealed or covered up at the time of the Inspection, whether intentional or otherwise. (D) The client agrees that MHI SERVICES, INC. and its agents or employees will have no liability for incidental or consequential damages, special damages, government fines and charges.

The Inspection and Inspection Report are not intended or to be used as an insurance policy, guarantee or warranty, express or implied, regarding the adequacy, performance of, or condition of any inspected structure, item or system. It is understood and agreed that should MHI SERVICES, INC. and/or its agents or employees be found liable for any loss or damages resulting from a failure to perform any of its obligations, including, but not limited to negligence, breach of contract, or otherwise, then the liability of MHI SERVICES, INC. or its agents or employees shall be limited to actual damages sustained only, which shall be the clients exclusive remedy against us or our employees.

This agreement is intended solely for the use of the Client. No other party is intended as a beneficiary hereunder. This agreement is not assignable.

DISPUTE RESOLUTION AND REMEDY LIMITATIONS

<u>Limitation Period</u>: Any legal action arising from this Agreement or from the Services and Report, including (but not limited to) the arbitration proceeding more specifically described below, must be commenced within one (1) year from the date of the Services. 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 law.

Notice of Claims: You understand and agree that any claim(s) or complaint(s) arising out of or related to any alleged act or omission of the Company in connection with the Services shall be reported to us, in writing, within ten (10) business days of discovery. Unless there is an emergency condition, you agree to allow us a reasonable period of time to investigate the claim(s) or complaint(s) by, among other things, re-inspection before you, or anyone acting on your behalf, repairs, replaces, alters or modifies the system or component that is the subject matter of the claim. You understand and agree that any failure to timely notify us and allow adequate time to investigate as stated above shall constitute a complete bar and waiver of any and all claims you may have against us related to the alleged act or omission unless otherwise prohibited by law.

BINDING ARBITRATION (PLEASE READ CAREFULLY)

Any dispute, controversy, interpretation or claim, except those relating to nonpayment of fees, including claims for, but not limited to the scope of services provided by us, breach of contract, any form of negligence, fraud or misrepresentation, and/or any violation of the New Jersey Consumer Fraud Act, N.J.S.A §56:8-1 through §56:8-20, any other applicable consumer protection statute, 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 Inspection Report shall be submitted to final and binding arbitration under the Rules and Procedures of *The American Arbitration Association*. The decision of the Arbitrator appointed shall be final and binding and judgment on the decision may be entered in any Court of competent jurisdiction. If no arbitration proceeding is initiated by either of the parties to this Agreement within one year of the date of the Report, the failure to initiate such proceedings shall be consulted that the parties are satisfied that each has properly and completely performed their obligations under this Agreement. 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.

LEGAL FEES/OTHER EXPENSES

If either party makes a claim against the other for any error, omission or other action arising out of the work performed under this Contract and fails to prove all aspects of such claim, to the degree necessary to prevail in Arbitration or any court or tribunal found to have jurisdiction over MHI Services, Inc. or any controversies related to this Contract, Inspection or Inspection Report, the party making the claim agrees to pay all attorney fees, arbitrator fees, expenses and costs incurred in the defense of the claim including all collection costs (legal fees & expenses).

THIS DOCUMENT IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND NO STATEMENT, PROMISE OR INDUCEMENT MADE BY EITHER PARTY THAT IS NOT CONTAINED HEREIN SHALL BE VALID OR BINDING. THIS AGREEMENT MAY NOT BE ENLARGED, MODIFIED OR ALTERED EXCEPT IN WRITING. BY SIGNING THIS AGREEMENT, ALL PARTIES AGREE TO BIND THEMSELVES, THEIR HEIRS, ASSIGNS AND ADMINISTRATORS TO ALL TERMS AND CONDITIONS SET FORTH THEREIN. IT IS UNDERSTOOD AND AGREED THAT THIS AGREEMENT HAS BEEN MADE AND IS ENTERED INTO UNDER THE LAWS OF THE STATE OF NEW JERSEY. IF ANY SECTION OR PROVISION OF THIS AGREEMENT IS FOUND TO BE INVALID OR UNENFORCEABLE, SUCH A FINDING <u>SHALL NOT</u> AFFECT ANY OTHER SECTION OR PROVISION, WHICH SHALL REMAIN IN FULL FORCE AND EFFECT.

THE INSPECTION, ANCILLARY SERVICES, INSPECTION AGREEMENT AND REPORT DO NOT CONSTITUTE A WARRANTY, AN INSURANCE POLICY, OR A GUARANTEE OF ANY KIND, NOR DO THEY SUBSTITUTE FOR ANY DISCLOSURE STATEMENT AS MAY BE REQUIRED BY LAW.

Client Understands Terms of Agreement: I have read and fully understand all of the contents of this Agreement. I understand the Inspection Report is not intended for use by any person except the undersigned. I hereby request that MHI Services, Inc. inspect the above-mentioned Property on my behalf, in accordance with the terms of this agreement and the standards set forth by N.J.A.C. 13:40-15.16 and the American Society of Home Inspectors. I understand that I have the right to have an attorney of my choice review this Inspection Agreement before I sign it. I understand that if I do not agree with any of the terms, conditions, limitations and exclusions of this Inspection Agreement I do not have to sign it, and I have the right to hire another company to perform the inspection.

I understand and agree that if I am married or otherwise represent a third party, I hereby express actual authority to sign this agreement.

Client Printed Name

Client Signature

Date

Report Copies to Others Need Your Authorization: We need your <u>written permission</u> if you wish us to send copies of the home inspection report to other parties. Only <u>you</u> will receive the home inspection report unless you instruct us to provide it to others and provide the name, relationship to you, and the correct email address. If you wish mailed or faxed copies of the report sent to you or any other authorized person, there is a \$10.00 charge for each copy.