

PRE-INSPECTION AGREEMENT - READ THIS DOCUMENT CAREFULLY

IT CONTAINS AN ARBITRATION PROVISION THAT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO MAINTAIN A COURT ACTION. IF YOU HAVE ANY QUESTIONS REGARDING THE TERMS OF THIS PRE-INSPECTION AGREEMENT YOU SHOULD DISCUSS THEM WITH THE INSPECTOR PRIOR TO SIGNING THIS AGREEMENT.

In compliance with the provisions of The New Jersey Administrative Code, *N.J.A.C. §13:40-15.15*, this Pre-Inspection Agreement must be signed by the Client prior to start of the inspection.

Name: Address: City: St:
Property: City: ST: Date:
Inspector: Report #: Structure Termite Radon Fee:\$

- 1) This Pre-Inspection Agreement (the Agreement) contains the terms and conditions of the Client's contract with Holmes Inspection Service, Inc. (the Company) for inspection of the Property at the captioned address, and describes the scope of the Inspection, limitations of liability, and remedies.
- 2) The Client acknowledges that Client and/or any authorized representative has been advised & encouraged to attend and participate in the inspection and recognizes that failure to do so may result in less than complete understanding of the findings. Client further acknowledges that such participation is at the Client's own risk for falls, injuries, property damage, etc. Client warrants that permission has been secured for the Company to enter and inspect the Property.
- 3) 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. The inspection will be performed to the best of the Inspector's ability in accordance with the Standards of Practice contained in The New Jersey Administrative Code at *N.J.A.C. §13:40-15.16* and shall comply with these Standards. Failure to comply with these Standards may subject the licensee to disciplinary action.
- 4) The Company warrants that neither the Company nor the individual Inspector assigned to perform the home inspection at the Property has any financial interest in the transfer of the Property. The sole consideration being paid to the Company and/or the individual Inspector is the fee for the home inspection as set forth above.
- 5) **The inspection is limited** by the limitations, exceptions and exclusions as contained in the Standards of Practice, *N.J.A.C. §13:40-15.16*, and this Pre-Inspection Agreement.
- 6) A **home inspection is 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 components of a residential building: structural components, exterior components, roofing system, plumbing system, electrical system, heating system, cooling system, interior components, insulation components and ventilation system, 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.
- 7) The following are services and/or procedures that **ARE NOT INCLUDED** as part of the inspection and must be stated in this Pre-Inspection Agreement pursuant to *N.J.A.C. §13:40-15.15*. Pursuant to *N.J.A.C. §13:40-15.16*, the Company **IS NOT REQUIRED TO**: a. enter any area or perform any procedure which is, in the opinion of the home inspector, unsafe and likely to be dangerous to the inspector or other persons; b. enter any area or perform any procedure which will, in the opinion of the home inspector, likely damage the property or its systems or components; c. enter any area which does not have at least 24 inches of unobstructed vertical clearance and at least 30 inches of unobstructed horizontal clearance; d. identify concealed conditions and latent defects; e. 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; f. determine the cause of any condition or deficiency; g. **determine future conditions that may occur including the failure of systems and components including consequential damage**; h. determine the operating costs of systems or components; i. determine the suitability of the property for any specialized use; j. **determine compliance with codes, regulations and/or ordinances**; k. determine market value of the property or its marketability; l. determine advisability of purchase of the property; m. determine the presence of any potentially hazardous plants, animals or diseases or the presence of any suspected hazardous substances or adverse conditions such as mold, fungus, toxins, carcinogens, noise, and contaminants in soil, water, and air; n. determine the effectiveness of any system installed or method utilized to control or remove suspected hazardous substances; o. operate any system or component which is shut down or otherwise inoperable; p. operate any system or component which does not respond to normal operating controls; q. operate shut-off valves; r. determine whether water supply and waste disposal systems are public or private; s. insert any tool, probe or testing device inside electrical panels; t. dismantle any electrical device or control other than to remove the covers of main and sub panels; u. walk on un-floored sections of attics; and v. light pilot flames or ignite or extinguish fires.
- 8) The Client understands that the inspection does not include the removal of drywall, paneling, suspended ceiling tiles, insulation, carpeting, moving of furniture or other items. The Company cannot and will not render an opinion as to the condition of any systems or components of the Property that are concealed by walls, drywall, paneling, suspended ceiling tiles, insulation, carpeting, furniture or any other items stored in or on the property at the time of the inspection.
- 9) **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 the New Jersey Consumer Fraud Act, *N.J.S.A. §56:8-1* through *§56:8-20*, 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 or Designated Arbitration Board. A NJ Licensed Home Inspector shall be a member of the Arbitration Board. The decision of the Arbitrator appointed by the American Arbitration Association or Designated Arbitration Board 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.**
- 10) The Client understands that due to prevailing weather conditions, and time constraints in performing the home inspection, the Company cannot warrant that the Property is completely free from any water penetration, whether the water penetration relates to the roof, eaves, exterior wall cladding, interior wall cladding, defects in window installation, landscaping, exterior drainage issues, interior plumbing, or any other system or component at the Property. The Client understands that the Company will use its best efforts to determine, **based solely on visible conditions at the time of the inspection**, whether

there are ongoing water penetration issues at the Property. The Client should inquire of the Sellers of the Property whether the Property has been subject to water penetration at any time prior to purchase by the Client, the source and extent of the water penetration, and whether any efforts or corrections were made to correct water penetration problems. Due to the fact that conditions may have changed and/or became visible between the time of the home inspection and the closing, **the Buyer is required to conduct a thorough pre-closing inspection** (Interior and Exterior) once the structure has been vacated using the **Checklist** provided in the Home Inspection Report. **Failure on the part of the buyer to conduct this inspection is done so at his or her own risk.**

11) The Client specifically acknowledges that this Home 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, 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, carbon monoxide, the presence of or any hazards associated with the use or placement of Chinese drywall at the Property, the identification of suspect stucco/synthetic stucco and/or EIFS, any adverse condition which may affect the Property, or any other environmental or health hazards, unless otherwise agreed to and an additional fee paid.

12) The Client understands that this Home Inspection is not intended to discover or disclose whether any system or component of the Property has been affected by the illegal manufacture, distribution, possession or sale of any controlled dangerous substances, including, but not limited to, methamphetamines, and the Client further understands that the Company cannot determine whether any environmental hazards exist at the Property resulting from any activities related to any controlled dangerous substances.

13) The Client understands that the adequacy of heat and air conditioning distribution is difficult to determine on a one time visit to the Property and that the Company cannot warrant that the heating or air conditioning systems present at the time of the inspection adequately distribute heat or air conditioning throughout the Property. The Client should inquire of the Seller as to the adequacy of heat and air conditioning distribution at the Property prior to closing.

14) Client understands that the Inspection and Inspection 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.

15) **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 using a claim form provided by the Company for this purpose.** Client agrees to allow the Company ten (10) days to come to the Property to inspect and take pictures and evaluate any condition reported 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. **Client understands and agrees that any failure to notify the Company as stated above shall constitute a waiver of any and all claims Client may have against Company.**

16) This 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.

17) The Company's agreement to perform the Inspection is contingent on Client's agreement to the provisions, terms, conditions, and limitations of this Agreement. Client warrants they will read the entire Inspection Report when received and shall promptly call with any questions or concerns Client may have regarding the Inspection or Inspection Report. **The Client further warrants that they will follow all of the recommendations and advice given to the Client by the Company either as contained in the Home Inspection Report or made verbally at the time of the inspection.** Client understands and agrees that any failure to notify the Company and/or follow advice as documented in the report or verbally stated by the inspector as stated above shall constitute a waiver of any and all claims Client may have against Company.

18) It is understood and agreed to by the parties hereto that all the provisions, terms, conditions, and limitations, exceptions and exclusions of this Agreement shall apply to any additional inspection or testing services purchased by the Client. This Agreement and any subsequent report issued to 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. This 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.

19) Technically Exhaustive Inspection. Although a visual home inspection has been contracted, other more intrusive/comprehensive evaluations as offered and disclosed were advised at the time of initial order. **Intrusive evaluations require the removal of certain sections of walls, floors, ceilings, siding, Etc. and the Sellers written permission.**

20) If contracted as identified on front of contract, our Termite Inspection is based on a **Visual Inspection** of Readily Accessible Areas. **Hidden damage may be concealed and is probable in most structures.. We do not guarantee or warranty that the Structure is free of Insect Activity or Damage.** In the event of a claim, evidence of Infestation must be located in an area that was **Visible and Readily Accessible** to our inspector at the time of the original inspection. Should Holmes Inspection Service accept responsibility, Buyer must use a Licensed Exterminator of our choice for any Treatment and/or Repair. **Treatment of the problem area (precision treatment)** will take place within a 30-day period from the date of re-inspection. Buyer will have the right to upgrade the treatment/warranty at his or her own expense. **Specific Exclusions: a) Previously treated structures b) Structures with siding in contact with soil c) Structures with French drain type systems/wells d) Structures with sub slab vents e) Structures with soil exposed crawlspaces f) Areas not fully accessible or concealed by storage g) Termite Swarming Activity. H) Carpenter ants and all other insects are excluded.**

21) By signing this Agreement, the undersigned client(s) agree 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. Client acknowledges that Client has had ample time and opportunity to review this Agreement prior to signing and that Client has signed this Agreement prior to the performance of the home inspection. Client further acknowledges that Client has been encouraged to attend the inspection and understands that Client will not receive the full benefit of the inspection if Client does not attend.

22) Reports **will not be released until full payment has been received.** The Inspection fee is based on "one" visit to the property and on information that was provided at the time of order. If discrepancies exist, Inspector reserves the right to adjust price prior to starting the inspection. **Additional fees will apply for a return visit to the property.** Buyer releases Holmes Inspection Service from any and all consequential damages due to any delay in receiving the actual report due to mail or other reasons. **A \$35.00** charge will be required for all returned checks. Signature of Buyer authorizes Holmes Inspection Service to release Reports and Information to other parties (Attorney, Realtor, Warranty Company, Etc).

Client Signature: _____ Date: _____