Contract #

#### CONFIDENTIAL PROPERTY INSPECTION CONTRACT

THIS IS A BINDING CONTRACT. It is understood that the client is retaining this inspector to perform a home inspection pursuant to the Standards of Practice of the American Institute of Inspectors and The State of Oregon Construction Contractors Board. The Standards of Practice are on line <a href="http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-s-sop.pdf">http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-s-sop.pdf</a>

THIS REPORT IS INTENDED ONLY FOR THE USE OF THE PERSON PURCHASING THE HOME INSPECTION SERVICES. NO OTHER PERSON, INCLUDING A PURCHASER OF THE INSPECTED PROPERTY WHO DID NOT PURCHASE THE HOME INSPECTION SERVICES, MAY RELY UPON ANY REPRESENTATION MADE IN THE REPORT.

1. This "inspection report" is confidential and the sole possession of the client. All warranties or representations are made and limited to "client" only and cannot be used, relied upon or considered by anyone else without the expressed written permission of the client. The client agrees that if by tendering a copy of the buyer's home inspection report to persons other than the buyer and as a result of same litigation ensues against the home inspector, the buyer will indemnify and defend the home inspector.

| 2. | CLIENT INFORMATION:                                |               |       |     |  |  |  |
|----|--|---------------|-------|-----|--|--|--|
|    | Prepared for client(s):                            | Name          |       |     |  |  |  |
|    | Client's address:                                  | Address       |       |     |  |  |  |
|    |  | City          | State | Zip |  |  |  |
|    |  | Phone Number  |       |     |  |  |  |
|    |  | Email Address |       |     |  |  |  |
|    | Present at Inspection:                             | Name          |       |     |  |  |  |
|    | PROPERTY INFORMATION: Inspection location: Address |               |       |     |  |  |  |
|    | Inspection City/State/Zip                          | City          | State | Zip |  |  |  |

### 3. SCOPE OF THE GENERAL INSPECTION:

Client understands that this home inspection is a "non-invasive limited visible inspection/physical examination" of the home as it appeared on the day of this inspection. No representation is made as to any condition that may change from the date of the inspection to the close of escrow. It is acknowledged and understood that the inspector is not to open, move, lift or change any condition within the home on the day of the inspection. It is further understood that the inspection is performed to identify material defects in the systems, structures, and components of the above-referenced home and its associated primary structure. A material defect is a condition that significantly affects the value, desirability, habitability or safety of the building. Style or aesthetics shall not be considered in determining whether a specific system, structure, or component is defective.

OUR VISUAL INSPECTION MAY ILLUMINATE SOME AREAS OF RISK, BUT CANNOT ELIMINATE IT. OUR INSPECTON IS LIMITED TO THE EXISTING CLUES AND SYMPTOMS ON THE DAY OF OUR INSPECTION, AND WE CANNOT BE LIABLE FOR NON-VISIBLE, OBSCURE, OR CONCEALED FAULTS. Claims for concealed conditions, whether intentional or unintentional, must be made against the seller of the property.

THE INSPECTOR WILL ATTEMPT TO BE FAIR BY POINTING OUT BOTH THE STRONG AND WEAK POINTS OF THE PROPERTY. Home ownership brings with it the certainty that failures and repairs will occur. Your Home Inspection will not be able to predict all such occurrences, but a 2 or 3-hour investigation by our professional inspector, and the resulting Report, should provide you with a useful tool.

| In Depth Home Inspection LLC     |
|----------------------------------|
| 5940 Smoketree DR SE             |
| Salem OR 97306 503-991-7479      |
| WWW InDenthHomeInspectionLLC.COM |

Greg@InDepthHomeInspectionLLC.Com OCHI 1339 CCB 181879 A.I.I. Member 8009

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Our inspections are not intended as a service call. Operable conditions of mechanical, electrical, plumbing devices or other items are only surmised from the visible evidence. No maintenance services, removal of cowlings, or destructive discovery can or will be performed. Should we locate an item that is not serviceable, or creates doubt for our inspector, then we will suggest that a licensed trade person be contacted to investigate further or make repairs.

This inspection is not conducted to detect every minor problem or condition that may exist in the building. Cosmetic issues are to be considered obvious. It is understood that if such a listing is desired, this service is beyond the parameters of our regular Home Inspection and an additional fee will be assessed.

You are encouraged to be on the site at the time of the Inspection, or arrive near the completion of our Inspector's evaluation, so that he/she can review the Report with you in person. If you are unable to attend, we will be happy to try and answer your questions by phone. Should an additional visit to the property be required, it will be billed at our hourly rate.

### <u>LIMITATIONS, EXCEPTIONS AND EXCLUS</u>IONS:

There are limitations, exceptions and exclusions contained within the Standards of Practice of A.I.I. and the State of Oregon for the inspection of this home. These limitations, exceptions and exclusions may include any system, structure, or component of the building which is inaccessible, concealed from view, or cannot be inspected due to circumstances beyond the control of inspector, or which client has agreed is not to be inspected. The following are excluded from the scope of this real estate inspection unless specifically agreed in writing and otherwise between inspector and client for an additional fee which shall also be set forth in writing:

- A. Formulating an opinion as to compliance with manufacturer's specifications and/or installation guidelines, manufacturers' specifications, building codes, ordinances, regulations, covenants or any and all restrictions running with the land;
- B. Obtaining, reviewing or formulating an opinion as to permits, governmental limitations, Building & Safety (documents, conditions, or "controlled area), districts specially designated for its geological properties (examples include but are not limited to flood control, gas-methane district, etc.), contractors plans/drawings, legal or real estate documents/limitations, etc.:
- C. Geotechnical, engineering, structural, architectural, geological, hydrological, land surveying geological or regionally specified zones or soils-related examinations;
- D. Examination of conditions related to animals, rodents, insects, wood-destroying insects, organisms, mold (or associated thereto), fungus, and mildew, water intrusion (or its origin), toxic substances (lead, asbestos, etc.), environmental hazards/conditions, floods or damage resulting there from.;
- E. Adequacy, efficiency, durability, or remaining useful life, costs to repair, replace or operate, fair market value, marketability, quality, or advisability of purchase of the property or any component therein;
- F. Dismantling of any system, structure, or component, or perform any intrusive or destructive examination, test or analysis;
- G. Examining or evaluating fire-resistive qualities of any system, structure, component of the building or security systems/protection.
- H. Systems, structures, or components, of the building which may or may not be permanently installed, including security bars, locks, security devices, alarms, or related security devices, including security bars, etc.
- I. Systems, structures, or components not specifically identified in the written inspection report;
- J. Common areas, or systems, structures, or components thereof, including, but not limited to, those of a common interest development as defined under the laws of the State of Oregon.
- K. Examining or evaluating the acoustical or other nuisance characteristics of any system, structure, or component of a building, complex, adjoining properties, or neighborhood;
- L. Operating or evaluating low voltage electrical, antennas, security systems, cable or satellite television, telephone, remote controls, radio controls, timers, intercoms, computers, photo-electric, motion sensing, garden/outdoor lighting, or other such similar non-primary electrical power devices, components, or systems.
- M. Fountains and water systems of all designs and structure are not included in this inspection.
- N. Your home inspector has not been retained to and **will not** determine property lines, boundaries, fences, hedges, walls, and other natural or constructed barriers for their "accuracy or correctness. If the client should have any concerns as to "property boundaries" a licensed surveyor should be retained by the client to investigate this issue;

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- O. MOISTURE EQUALS MOLD Moisture may be found in the structure during our visual inspection. If moisture is found, then it is scientifically known that moisture and mold are inter-related. We do not claim to have the background, education, or experience necessary to formulate an opinion as to the existence or non-existence of mold. If moisture is listed in any portion of the report, then we want our clients to understand that mold may also be present and that they should meet with the experts of their choice who have the background, education and experience to help them;
- P. Evaluation of pools or spas.
- Q. **EXHAUSTIVE INSPECTION:** The purchaser/client has the option of a thorough/exhaustive inspection of the property. This thorough/exhaustive inspection covers all issues relating to the property excluded by the general inspection. For instance a thorough investigation of the home includes permits, construction, analysis of all systems with demonstrative testing by use of outside experts that may include experts from all specialized trades (including but not limited to electrical, construction, plumbing, soils, geological, building and safety; oil and gas; architectures, etc.). All additional expert examinations are in addition to the cost of this inspector. The cost to the client for the inspector (alone) for an exhaustive inspection is **§150.00 per hour**. It is generally our experience that this "**exhaustive inspection**" even in the most straight forward properties without the additional expenses of other experts costs starting at **§5,000 or higher** depending on the size of the home, appurtenances thereto and other related issues.

| I/we agree that I/we request the inspector to do | a thorough/exh | naustive inspection of | of the property ( | costs \$5000 or more). |
|--|----------------|------------------------|-------------------|------------------------|
| (circle one)                                     | Yes / NO       | Clients Initials       | Date              |                        |

I have read and agree to the Limitations, Exceptions & Exclusions Inspections set forth herein. I/we, the client, do voluntarily elect to accept the general inspection (typical) and waive a thorough/exhaustive extensive inspection (costs \$5000 or more).

Clients Initials\_\_\_\_\_Date\_\_\_

#### **RECITALS**

Unless otherwise stated it is understood that this home inspector is to perform a general home inspection as a **generalist and** is not acting as an expert in any craft or trade. The inspection report may contain recommendations for further evaluation by a specialist in a particular trade. If a recommendation is made by the inspector to a specialist the client understands that it is the responsibility of the client to contact, retain at their own expense and understand the findings of said experts before the close of escrow. Upon the tendering of the home inspection report the home inspector is no longer following the progress or closure of this property. This applies to a general inspection only.

**REAL ESTATE DISCLOSURE:** This report is not a substitute for the disclosures (seller and agents) as required by this "State", nor is it a substitute for the real estate disclosure statement. Please consult with your professional Realtor as to any questions you may have on any real estate document. The understanding or implications of what may or may not be contained in a real estate document is outside the scope of this inspection agreement.

<u>CONFIDENTIALITY</u>: This real estate inspection report is **confidential**. By initialing herein you are authorizing this inspector to release this **confidential** report to the Realtors associated with this transaction. The client hereby agrees in authorizing the tender of this report to the Realtor said client will indemnify, defend and hold harmless the inspector from any action or cause of action that may be brought against said inspector due to the tender of this report to persons other then the client.

**SEVERABILITY:** Should any provision of this contract be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this contract shall remain in full force and effect, unimpaired by the court's holding.

MEDIATION: The parties to this agreement agree that this mediation clause is a material part of this home inspection contract. The client is under an affirmative duty to advise the home inspector immediately upon discovering any defect that was not disclosed during the escrow. Notice of mediation must be sent return receipt request giving at least twenty days notice to the inspector to respond in writing and before litigation is filed. Failure to give notice of mediation return receipt request preceding the filing of legal action will result in the plaintiff's right to contractual attorney fees being lost. The home inspector has the right to inspect said

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|               |   |   |   |    |   |       |

"alleged" defect within ten days of the notice of the defect. If resolution of same is not possible and the client believes the home inspector is culpable the client must prepare and send return receipt request a notice and demand for binding arbitration sent return receipt request allowing twenty days response by the home inspector. Failure to fulfill the terms and conditions of this agreement will result in the termination of any contractual attorney fee or cost that the plaintiff may have been entitled to had plaintiff complied with the terms and conditions of this agreement.

**BINDING ARBITRATION:** Any dispute concerning the interpretation of this agreement or arising from this inspection and report shall be resolved between the parties by voluntarily submitting this matter to binding arbitration conducted in accordance with the rules of Superior Court Arbitration program of each county. The arbitrator must be knowledgeable of the Standards of Practice of the home inspection industry at the time of the appointment. The parties shall be entitled to the same discovery rights had this matter been adjudicated in a court of law. The parties, for their own good reasons, do here by waive the right to trial by jury voluntarily.

**RIGHT TO SUE CLAUSE:** As a material condition to the terms and conditions of this contract it is acknowledged that the price of this inspection is conditioned on this clause. It is mutually agreed and for good consideration that before any action can be brought by a plaintiff against the home inspector for damages the plaintiff must resolve all contractual/damage issues with the seller of the property, as a condition precedent to this agreement.

APPLICATION OF LAW: The parties hereto shall be entitled to all discovery rights and legal motions as provided in the Code of Civil Procedure for the "State" where the inspection was made. The arbitrator shall follow the law of that "State" for all issues submitted in the arbitration proceeding. The award of the arbitrator shall be final, and a judgment may be entered on it by any court having jurisdiction.

**GENERAL PROVISIONS:** This inspection contract and report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. The real estate inspection and inspection report are not a substitute disclosure for real estate transactions which may be required by law.

**PRESUMPTION:** If no legal action or proceeding of any kind, including those sounding in tort or contract, are commenced against inspector/inspection company within one (1) year from the date of the subject inspection it is presumed that no act of negligence or in breach of contract has arisen. Time is expressly of the essence herein. **This time period is shorter than otherwise provided by law.** This agreement shall be binding upon and insure to the benefit of the parties hereto and their heirs, successors and assigns.

<u>FULL AND COMPLETE AGREEMENT:</u> This agreement constitutes the entire integrated agreement and must be modified in writing signed by the parties to modify the above. Client has read and understands all of the terms, conditions and limitations of this contract and voluntarily agrees to be bound thereby and agrees to pay the fee listed below.

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|---|----|---|
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| • | r, | T., -                                   |

The fee for this inspection is due and payable:

( ) Includes Structural Pest and Rot Inspection.

(INSPECTORS INITIALS)

(At the time of the Inspection.

**NOTE:** The Inspection Fee is for the service performed on the property. Re-inspections, research, or expanded reports, documentation, including disputed issues requiring investment of time by our staff, will be payable at the rate of \$\frac{\\$100.00}{2}\$ per hour.

**NOTE:** This Company assumes no liability and shall not be liable for mistakes, errors or omission in judgment of its employees or principals beyond the cost of the Report. This limitation of liability shall include and apply to all consequential damages, bodily injury, and property damage of any nature.

Total Inspection Fee \$

The inspection performed in connection with this service agreement <u>does not</u> include a Structural Pests and Dry Rot inspection unless box on proceeding page is initialed by the Inspector. Please review the following information regarding the Structural Pests and Dry Rot inspection:

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#### IMPORTANT NOTICE

THIS IS A BINDING CONTRACT. We will make a limited visual inspection of the prominently visible and accessible areas of the structure for wood destroying organisms including termites, powder post beetles, carpenter ants and wood decay fungi (rot). This inspection is limited to wood destroying organisms only and does not include molds, fungi or other environmental issues that may be harmful to your health. This inspection is non-invasive. We do not remove fascia, cowlings or move furniture or household items to perform our inspection. This inspection does not include decks or non-structural damage caused by water to composite siding. THEREFORE, WE CANNOT AND DO NOT IN ANY WAY REPRESENT OR GUARANTEE THE PREMISES TO BE FREE FROM TERMITES OR OTHER WOOD DESTROYING ORGANISMS OR THEIR DAMAGE, NOR DO WE REPRESENT OR GUARANTEE THAT THE TOTAL DAMAGE OR INFESTATION IS LIMITED TO THAT DISCLOSED IN THIS REPORT.

We do crawl the under floor crawl space, check all interior accessible plumbing for leaks and generally look at the inside and outside of the house and attached garage for structural pests and dry rot, but do not inspect the attic or detached building unless specifically stated in this report. Wood decks are also not included in this report.

A large percentage of structures are subject to minor rot conditions. While such conditions are technically fungi infestations, they may not substantially affect the quality, structural soundness or anticipated life of the structure. Such conditions are spot areas on doors, window casings, porch steps, railings and portions of wood decks and common weathering of siding, decks and non-supporting wooden members and shall not be reported on the inspection reports except at the discretion of the inspection firm for the purposes of clarification only.

You are encouraged to be on the site at the time of the Inspection, or arrive near the completion of our Inspector's evaluation, so that he/she can review the Report with you in person. If you are unable to attend, we will be happy to try and answer your questions by phone. Should an additional visit to the property be required, it will be billed at our hourly rate.

#### **RISK OF BUYERS & SELLERS**

Buyers are always at risk. OUR VISUAL INSPECTION MAY ILLUMINATE SOME AREAS OF RISK, BUT CANNOT ELIMINATE IT. OUR INSPECTOR IS LIMITED TO THE EXISTING CLUES AND SYMPTOMS ON THE DAY OF OUR INSPECTION, AND WE CANNOT BE LIABLE FOR NON-VISIBLE, OBSCURE, OR CONCEALED FAULTS. Claims for concealed conditions, whether intentional or unintentional, must be made against the seller of the property.

The most conscientious visual inspection is not capable of determining all conditions that actually exist within a house. Even with our thorough effort, these are some examples of the types of things our Inspection cannot determine:

- 1. Leaks that only occur under unusual conditions.
- 2. Underground pipes or drains.
- 3. Inner wall conditions.
- 4. Areas inaccessible for inspection.

This is not a code compliance inspection nor is it an environmental hazards inspection. Time is of the essence to this agreement. Paragraph titles and headings are not to be considered part of the agreement.

#### UTILITY ACTIVATION AT INSPECTION

Please make sure all utilities are on in the house, prior to the inspection. Optimally, they should be on for at least 24 hours prior to inspection, certain systems require this to be inspected. If home is winterized, it is your realtor's responsibility to "De Winterize" the home. If I arrive and the utilities are not on, and you want to reschedule the inspection to be complete at a later time, there will be a minimum charge of \$50.00 to return and complete the inspection. This is above the original inspection fee. Therefore, it is imperative that you work with your realtor to determine if all utilities are actually on in the home. Foreclosed or vacant homes have this condition frequently, while occupied homes don't typically have the utilities shut off.

### WARRANTIES AND INSURANCE

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The Inspection and Report are not intended to be construed as a guarantee or warranty, expressed or implied, including any implied warranty of merchant ability or fitness for use regarding the conditions of the property or items inspected, and it should not be relied upon as such.

In the event that we report no visible evidence of termites, carpenter ants, or other wood destroying organisms in any portion of the structure inspected, we do not assume any responsibility for a termite, carpenter ant or other wood destroying organism condition that may exist or may be starting and was not visible or found by our inspector at the time of the inspection. This disclaimer is necessary due to the fact that the inspection has been made only on a visual basis of accessible areas of the building and the possibility of infestation or damage exists in areas that are inaccessible for inspection or were not included in the inspection. Due to the insidious habits of all wood destroying organisms, this possible infestation or damage could spread or become visible at any time subsequent to this inspection.

| Okay to supply your realtor with the reports (circle one): Realtor's name:  | Yes | 1 | No | Dated: | _Client Initial:          |                 |
|---|-----|---|----|--------|---------------------------|-----------------|
| Supplied with Oregon Rules and Regulations (circle one):  | Yes | / | No | Dated: | _Client Initial:          |                 |
| Supplied with Home Inspection Consumer Notice (circle one):   | Yes | / | No | Dated: | Client Initial:           |                 |
| I, the client, acknowledge and I have read, understand, and ag agree to pay the fee listed above. Payment is indicated by box |     |   |    |        | ns and limitations of thi | s agreement and |
| Client:Da   | te: |   |    |        |                           |                 |
| Client:Da   | te: |   |    |        |                           |                 |
| Inspector:Da  | te: |   |    |        |                           |                 |

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