

INSPECTION AGREEMENT (w/ASHI STANDARDS OF PRACTICE)

This is a legally binding contract, which includes, among other terms, 1) a description of the Scope of the Inspection and 2) limitations of liability. Please read the entire contract carefully.

This is an Agreement between you, the undersigned (client, you, or your) and PepperWood Home Inspections, LLC, (company, we or our) pertaining to our inspection of the Property (home) at:

ADDRESS

The terms below govern this Agreement.

1. FEE. The fee for our Home Inspection is \$____, payable in full at the time of the inspection by check or credit card.

2. INSPECTION TASK SUMMARY. We will perform a visual inspection of the home and provide you with a written report identifying the defects that we (1) observed and (2) deemed material at the time of the inspection. There are limitations to the scope of this inspection.

3. STANDARD OF PRACTICE (SOP). Unless otherwise noted in this Agreement or not possible, the Company will perform the inspection substantially in accordance with the current Standards of Practice (SOP) of American Society of Home Inspectors (ASHI) and those of the Commonwealth of Virginia. The ASHI SOP can be found at <http://www.homeinspector.org/Standards-of-Practice>. We can email you a copy of the SOP or provide a printed copy to you on your request. You understand that the SOP contains limitations, exceptions, and exclusions. You understand that ASHI is not a party to this Agreement, has no control over us, and does not employ or supervise us.

4. SCOPE OF INSPECTION. The inspection and resulting report shall generally follow the guidelines of the SOP, and will generally include the following sections: Overview; Roofing; Exterior; Structure; Electrical; Heating; Cooling (and Heat Pump); Insulation and Ventilation; Plumbing; and Interior. If we perform a Radon test under this agreement the Radon test results may be either included in the home inspection report or provided separately.

It is agreed and understood that the scope of this inspection is limited to visual observations of readily accessible systems and components and their conditions at the time and date of the inspection and is not intended to

be technically exhaustive or to identify every possible defect or detrimental condition.

You also understand that the inspector (Barry Holt, Virginia Home Inspector License #3380000831; Maryland Home Inspector License #32747; AARST-NRPP Radon Certification #108890) is a generalist, with training from and membership in several relevant associations and is knowledgeable in a variety of areas required to perform a home inspection. Neither the company nor the inspector performs or will offer to perform engineering, architectural, electrical, heating, ventilation, and air conditioning plumbing, or any other building trades related job function requiring an occupational license.

The report is an unbiased opinion based upon the experience and training of the inspector. The report may recommend further evaluation, improvement, or repair of a system or component of the home, follow-up for which you are responsible.

5. EXCLUSIONS FROM SCOPE. In accordance with the ASHI SOP, Virginia home inspector regulations and our practice, the home inspection does not include a review for regulatory compliance, such as compliance with the Virginia Uniform Statewide Building Code. Moreover, unless otherwise agreed to in writing, the inspector is not required to comment on the conditions of, or the presence of, the following:

- Building codes, zoning ordinances violations
- Geological stability or soil conditions.
- Structural stability or engineering analysis.
- Termites, pests or other wood destroying organisms.
- Asbestos, radon, formaldehyde, lead, water or air quality, electromagnetic radiation, mold or bio-organic growth or other environmental conditions.
- Underground storage tanks.
- Building value appraisal or cost estimates.
- Exterior insulation and finish systems (EIFS)
- Condition of detached buildings.
- Pools or spas bodies and underground piping.
- Sauna, steam baths, or fixtures and equipment
- Private water or private sewage systems.
- Water softener/purifier systems or solar heating systems.
- Radio or remote controlled devices, automatic gates, elevators, lifts, dumbwaiters and thermostatic or time clock or home automation controls.
- Furnace heat exchangers, freestanding appliances, security alarms or personal property.

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- Adequacy or efficiency of any component or system.
- Prediction of the life expectancy of any item.
- Lightning protection systems.
- Roofs not readily accessible by the inspector. (Note: for most homes, roofs and related components will be inspected from the ground with binoculars or camera on an extension pole, from the eaves, or from vantage points afforded by windows, doors and other places of the home.)
- Decay of the interior of logs in log walls, log foundations or roofs, or similar defects.
- Specific components noted as excluded on the individual inspections forms.
- Any system, component or location that the inspector determines is unsafe to inspect.

6. **INSPECTION SUPPLEMENTARY TO OTHER DISCLOSURE REQUIREMENTS.** The inspection and resulting report are only supplementary to and not a substitute for any disclosures associated with a transaction (e.g., sellers disclosure) or otherwise required.

7. **CLIENT RESPONSIBILITIES.** You will take the steps necessary to ensure access to the home for the inspection. You understand that limited access and/or disconnected utilities will limit the scope of the inspection. You will obtain the most value from this inspection by a) attending the inspection, b) talking with the inspector about his observations, c) learning about the condition and operation of the house during the inspection, d) studying the written report in its entirety and addressing the deficiencies, including recommendations to consult with a licensed specialist or contractor for further assessment or repair, e) having follow-up conversations with the inspector, and f) adhering to maintenance and safety schedules. We recommend that you determine that permits were obtained from and signed off by the appropriate authorities for any and all building, plumbing, heating, gas, and electrical work performed on this property. We also recommend that you obtain any available maintenance, safety, and operational manuals and information for equipment, appliances, fixtures, and systems and any included warranties associated with this property.

The ultimate decision of what to repair or replace is yours. One homeowner may decide that certain conditions require improvement, repair or replacement, while another will not.

8. **USE OF REPORT AND RELEASE OF LIABILITY.** Our inspection and report are confidential and for your use only. You may give us permission in writing (or by email) to discuss our observations with real estate agents, owners, repair persons, or other interested parties you designate. You will be the sole owner of the report and all

rights to its contents. You give us permission to retain copies of the report and any other related work product. You also give us permission to discuss with or disclose to others, any information related to this inspection if 1) in the opinion of our inspector the information needs to be disclosed as a matter of safety to the public or individuals that may be affected by the condition, or 2) if required to do so as a result of regulation or legal proceeding. You give us permission to use individual photographs, videos and descriptions of deficiencies or conditions observed during the inspection for training, education, or marketing purposes, provided that they are not identified with any other information about the home. We are not responsible for use or misinterpretation by third parties, and third parties who rely on it in any way do so at their own risk and release the Company, its employees and business entities from any liability whatsoever. If you or any person acting on your behalf provides the report to a third party who then sues you and/or the inspector or the Company, you release us from any liability and agree to pay our costs and legal fees in defending any action naming us.

Our inspection and report are in no way a guarantee or warranty, express or implied, regarding the future use, operability, habitability or suitability of the home/building or its components. We disclaim all warranties, express or implied, to the fullest extent allowed by law.

9. **LIMIT OF LIABILITY / LIQUIDATED DAMAGES.** We assume no liability for the cost of repair or replacement of unreported defects, either current or arising in the future. In all cases, our liability is limited to liquidated damages in an amount not greater than fee you paid us. You waive any claim for consequential, exemplary, special or incidental damages or for the loss of the use of the home/building. You acknowledge that this liquidated damages is not a penalty, but that we intend it to: (i) reflect the fact that actual damages may be difficult or impractical to ascertain; (ii) allocate risk between us; and (iii) enable us to perform the inspection for the agreed-upon fee.

10. **CLAIMS AND RIGHT TO INVESTIGATE.** If you believe you have a claim against us, you agree to provide us with the following: (1) written notification of your claim within seven days of discovery in sufficient detail and with sufficient supporting documents that we can evaluate it; and (2) immediate access to the premises. Failure to comply with these conditions releases us from liability. We will have no liability for any claim or complaint if conditions have been disturbed, altered, repaired, replaced or otherwise changed before we have had a reasonable period of time to investigate. This section is not intended to restrict your right to take emergency action to prevent further damage.

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11. **REDUCED TIME TO BRING A LEGAL CLAIM.** You understand and agree that houses and conditions change, age and naturally deteriorate over time and, as such, that the report will have a limited lifetime. Regardless of the applicable statute of limitations and regardless of when you discover any defect(s) or problem(s), you agree that any lawsuit arising from the inspection and/or report shall be filed within one (1) year after the date of the inspection, after which any such lawsuit(s) will be forever barred.

12. **LITIGATION VENUE AND COSTS.** You agree that the exclusive venue for any litigation arising out of this Agreement shall be Arlington County, VA. If you fail to prove any claim against us, you agree to pay all our legal costs, expenses and attorneys fees incurred in defending that claim.

13. **SEVERABILITY.** If any court declares any provision of this Agreement invalid or unenforceable, the remaining provisions will remain in effect. This Agreement represents our entire agreement between the parties. All prior communications are merged into this Agreement. There are no terms or promises other than those in this Agreement. No statement or promise allegedly made after the execution of this Agreement shall be binding unless reduced to writing and signed by us. Any modification to this Agreement must be in a writing signed by you and us. This Agreement binds the successors of the parties.

14. **PAYMENT.** Fees are due at the time of the inspection, with cash, credit card or check. Written reports may be withheld if fees are not paid. Past-due fees for your inspection shall accrue interest at 1% per month. You agree to pay all costs and attorneys fees we incur in collecting the fees owed to us. If the client is a corporation, LLC, or similar entity, you personally guarantee payment of the fee.

15. **NO CONFLICTS OF INTEREST.** PepperWood Home Inspections, LLC and its inspector have no financial or other interest, present or contemplated, in the property inspected or trades people involved in or benefits derived from any sales or improvements to the property.

16. **TERMS FOR RE-INSPECTION.** If you request a re-inspection, the re-inspection is subject to the terms of this Agreement.

17. **AGREEMENT NOT ASSIGNABLE.** Neither you nor the Company may assign this agreement.

18. **INTERPRETATION OF AGREEMENT.** If a court finds any term of this Agreement ambiguous or requiring judicial interpretation, the court shall not construe that term against us by reason of the rule that any ambiguity in a document is construed against the party drafting it. You had the opportunity to consult qualified counsel before signing this.

19. **AUTHORIZED CLIENT SIGNATURE.** If there is more than one Client, you are signing on behalf of all of them, and you represent that you are authorized to do so.

20. **LARGE PRINT VERSION OF THIS AGREEMENT IS AVAILABLE.** If you would like a large print version of this Agreement before signing it, you may request one by writing or emailing us.

I ACKNOWLEDGE RECEIVING A COPY OF THIS AGREEMENT, I HAVE CAREFULLY REVIEWED THIS AGREEMENT AND AGREE TO THE TERMS OF THIS AGREEMENT, BY SIGNING BELOW OR ELECTRONICALLY.