

INSPECTION AGREEMENT

THIS AGREEMENT is entered into by and between MARK KOLLATH HOME INSPECTION, INC, IL license #451.0000603, (hereinafter "INSPECTOR") and _____, whose address is _____ (hereinafter "Customer").

WHEREAS, Customer desires to have Inspector inspect real property located at _____ (hereinafter "property");

WHEREAS, Customer has hired Inspector to perform an inspection of the property in accordance with the terms, conditions and limitations hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the sufficiency of which and the receipt of which are acknowledged, Customer and Inspector agree as follows:

1. Customer will pay Inspector the sum of \$_____ for an inspection of the property, consisting of the main building and garage or carport, if applicable;
2. Inspector will perform a visual inspection of the property as described herein. Inspector will also prepare a written report (the "Report") regarding the observable condition of the structure and the readily accessible installed systems and components of the property existing at the time of the inspection. Unless otherwise inconsistent with this Agreement or not possible, INSPECTOR agrees to perform the inspection in accordance to the current Standards of Practice of the National Association of Certified Home Inspectors posted at <http://www.nachi.org/sop.htm>. CLIENT understands that these standards contain certain limitations, exceptions, and exclusions. **LATENT AND/OR CONCEALED DEFECTS, CONDITIONS AND/OR DEFICIENCIES ARE EXCLUDED FROM THE INSPECTION.**
3. The Terms and Conditions attached to this agreement shall define the standard of duty and the conditions, limitations and exclusions of the inspection. The Terms and Conditions are incorporated into this agreement by reference.
4. **CUSTOMER UNDERSTANDS AND AGREES THAT INSPECTOR AND ITS REPRESENTATIVES ASSUME NO LIABILITY OR RESPONSIBILITY FOR COSTS OF REPAIRING OR REPLACING ANY UNREPORTED DEFECTS, CONDITIONS OR DEFICIENCIES, EITHER CURRENT OR ARISING IN THE FUTURE, OR OF ANY PROPERTY DAMAGE, CONSEQUENTIAL DAMAGE OR BODILY INJURY ON ANY NATURE.**
5. Customer understands and agrees that Inspector is not an insurer or guarantor against defects in the structure, items, components or systems inspected. **INSPECTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FITNESS FOR USE, CONDITION, PERFORMANCE OR ADEQUACY OF ANY INSPECTED STRUCTURE, ITEM, COMPONENT, OR SYSTEM.**
6. If Customer is married, Customer's spouse is equally bound by all terms and conditions of this Agreement, even if spouse has not signed this Agreement.

7. This Agreement, including the terms and conditions on the reverse side, constitute the entire understanding and agreement between Inspector and Customer. All negotiations between the parties hereto are merged into this Agreement, and there are no representations, warranties, covenants, understandings, or agreements, oral or otherwise, in relations thereto between the parties other than those incorporated herein and to be delivered hereunder. This Agreement shall be amended, modified or supplemented only by written agreement signed by both parties. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS READ THIS INSPECTION AGREEMENT, THE SCOPE OF INSPECTION, AND THE TERMS AND CONDITIONS SUPPLEMENTING THIS AGREEMENT. CUSTOMER FULLY UNDERSTANDS AND ACCEPTS ALL OF THE CONDITIONS OUTLINED HEREIN AND HEREBY ACKNOWLEDGES THIS BY SIGNING THE DOCUMENT BELOW.

MARK KOLLATH HOME INSPECTION, INC.

Customer _____ Date

Customer _____ Date

_____ Date

SCOPE OF INSPECTION

The scope of inspection is provided as part of the Report to explain the nature and purpose of the inspection. We invite questions if further explanation of any part is needed. The inspection is not intended to ascertain building code compliance, adequacy of design, efficiency sizing, capacity, property value, water potability, pollution, insurability, flood plain location, or soil analysis. The inspection will include a limited visual inspection of the following systems for needed repair, replacement, and functionability:

1. Foundation and structure. The visible foundation and structural elements will be examined for defect and evidence of moisture intrusion and for proper ventilation. Areas or components located in areas not accessible to the inspector will be expressly excluded from the Report. We are inspecting for structural inadequacy and not for cosmetic defects such as condition of paint, varnish, or cabinetry. Doors and windows are examined for physical damage, glazing, and freedom of operation from structural defects. Thermal windows are examined for obvious signs of seal failure and moisture penetration. This inspection may be affected by cleanliness and weather conditions existing at the time of inspection and does not imply a warrantee or guarantee of future performance of these components. Taking of soil samples, sightings, measurements, and use of specialized equipment are outside the scope of this inspection. All opinions rendered are based on conditions at the time of inspection, which shall be detailed in the Report.
2. Chimney and fireplace. The visible components and structure will be examined, along with visible portions of the firebox and flue, damper operation, non-combustible hearth extension and clearance from combustible materials, lintel condition, attic penetration where accessible, chimney cap, and spark arrestor. The inspector does not inspect for draft adequacy or perform a smoke test.
3. Decks and porches. Steps, porches, decks, balconies, and carports will be inspected for structural performance in regard to visible footings, joists, railings, decking, and attachment points. There will be no inspection of detached structures or waterfront structures and equipment.

4. Roofing and attic. The roof covering, flashing, plumbing vents, structure, and attic components and ventilation will be inspected in those areas that are accessible without dismantling, uncovering, and removal of storage. The inspector shall inspect the insulation in unfinished spaces, the ventilation of attic spaces, mechanical ventilation systems, and report on the general absence or lack of insulation. The inspector is not required to move, touch, or disturb insulation, to move, touch or disturb vapor retarders, break or otherwise damage the surface finish or weather seal on or around access panels and covers, identify the composition of or the exact R-value of insulation material, activate thermostatically operated fans, determine the types of materials used in insulation/wrapping of pipes, ducts, jackets, boilers, and wiring, or determine adequacy of ventilation, Underlayment, fasteners, and inaccessible areas are expressly excluded from inspection. The inspector will NOT walk a roof that may be damaged by this activity or pose a hazard to the inspector. The inspector does NOT enter an attic space with less than five feet of headroom or inspect for insurability.

5. Appliances. Appliances are inspected in manual mode only, and if they have a permanent installation. Self cleaning functions are NOT inspected, nor the ability of compactors to compact, food disposals to grind, or the capacity of house vacuum systems. Appliances will be checked for obvious damage, missing components, suitable installation and hose connections, excessive noise or vibration, and leaks.

6. Plumbing. The inspector will verify the presence of and identify the location of the main water shutoff valve, inspect the water heating equipment, including combustion air, venting, connections, energy sources, seismic bracing, and verify the presence or absence of temperature-pressure relief valves and/or Watts 210 valves, flush toilets, run water in sinks, tubs, and showers, inspect the interior water supply including all fixtures and faucets, inspect the drain, waste and vent systems, including all fixtures. The inspector will describe any visible fuel storage systems, inspect the drainage sump pumps testing sumps with accessible floats, inspect and describe the water supply, drain, waste and main fuel shut-off valves, as well as the location of the water main and main fuel shut-off valves. Inspection of plumbing system is visual in nature and limited to permanent installations and to the items listed in the Report. All visible fixtures and faucets, drain, waste and vent systems are included, along with sump pump and related piping. The inspector does NOT operate any main, branch, or shut-off valves, or inspect a system that has been shut down or secured. The inspector does NOT inspect inaccessible components, or exterior components such as sprinkler systems, swimming pools, water mains, private water wells, or private sewer systems. The inspector does NOT inspect fire sprinkler systems, volume and potability of well water, drain and waste ejector pumps, solar water heating systems, or effectiveness of mechanical anti-siphon and venting devices. The inspector does NOT inspect private water supply systems, swimming pools or tanks, or free standing appliances. Shower pan leakage is not guaranteed to be revealed by visual inspection, as prolonged use may be required to induce leakage. No guarantee is offered of continued function of the shower pan or damage therefrom.

7. Electrical. The inspector shall inspect the service line, the meter box, the main disconnect, and determine the rating of the service amperage. The inspector shall inspect the panels, breakers and fuses, the service grounding and bonding, and a representative sampling of switches, receptacles, light fixtures, and test all GFCI receptacles and GFCI circuit breakers observed and deemed to be GFCI's during the inspection. The inspector shall inspect and report the presence of solid conductor aluminum branch circuit wiring if readily visible. The inspector shall inspect and report on any GFCI-tested receptacles in which power is not present, polarity is incorrect, the receptacle is not grounded, is not secured to the wall, the cover is not in place, the ground fault circuit interrupter devices are not properly installed or do not operate properly, or evidence of arcing or excessive heat is present. The inspector shall inspect the service entrance conductors and the condition of their sheathing. The inspector shall inspect the ground fault circuit interrupters observed and deemed to be GFCI's during the inspection with a GFCI tester, and describe the amperage rating of the service, and report the absence of smoke detectors. The inspector shall inspect service entrance cables and report as in need of repair deficiencies in the integrity of the insulation, drip loop, or separation of conductors at weatherheads and clearances. Inspection of electrical system is visual in nature and limited to the items listed in the Report. The inspector does NOT move objects or appliances to access electrical components. The inspector does NOT remove switch cover plates, except when aluminum wiring is observed in main or sub-panels. The inspector does NOT inspect any electrical equipment in inaccessible areas, or dismantle any device or control. The inspector does NOT inspect low voltage or ancillary systems, such as burglar and fire alarm, sprinkler wiring, antenna, intercom, telephone or cable TV, de-icing tapes, landscape lighting, or any system on photo cells or timers. The inspector does NOT trace wiring circuits.

8. Cooling system. Inspection of cooling system is visual in nature and limited to permanent installations (central cooling and through wall units) and to the items listed in the Report. The inspector does NOT operate a cooling system in temperatures below sixty degrees Fahrenheit, inspect condensate systems, test gas fired refrigeration systems, test coolant pressure, test for refrigerant leaks, assess proper sizing, inspect inaccessible equipment or components, program digital thermostats, or dismantle any equipment or components.

9. Heating systems. Inspection of heating system is visual in nature and limited to permanent installations and to the items listed in the Report. This includes fuel supply piping, boiler or furnace and ancillary equipment, and proper venting. The inspector shall inspect the heating system and describe the energy source and heating method using normal operating controls, and report as in need of repair electric furnaces which do not operate and report if inspector deemed the furnace inaccessible. The inspector does NOT activate systems which have been shut down or are unresponsive to normal controls. The inspector does not dismantle the system or rate performance of heat exchangers, humidifiers, air purifiers, motorized dampers, heat reclaimers, electronic air filters, or wood stoves. The inspector will NOT inspect inaccessible components, solar heating systems, or heat pumps if the temperature is above 65 degrees Fahrenheit. The inspector will NOT program digital thermostats or controls, operate radiant heaters, steam heat, or unvented gas appliances

10. Doors, windows, and interior. The inspector shall open and close a representative number of doors and windows, inspect the walls, ceilings, steps, stairways, and railings, inspect garage doors and garage door openers by operating first by remote (if available) and then by the installed automatic door control, and report as in need of repair any installed electronic sensors that are not operable or not installed at proper heights above the garage door. The inspector shall inspect and report as in need of repair any door locks or side ropes that have not been removed or disabled when garage door opener is in use, and report as in need of repair any windows that are obviously fogged or display other evidence of broken seals.

11. Swimming pool, hot tub, and spas are specifically excluded. The inspector does NOT dismantle or open any components, lines, or concealed components of the system. The inspector does NOT excavate or determine the existence of sub-surface leaks. The inspector does NOT fill the pool or hot tub with water, test water table height, or inspect ancillary equipment such as filters, chlorinators, chemical dispensers, computer controls, or water conditioners.

12. Report. Inspector agrees to provide reports appropriate to the services rendered. The Report will list all items inspected, their adequacy or need of repair, and their ability to function as intended. Exclusion of an item from the Report shall not be considered good or bad from lack of notation. No verbal statements made by the inspector shall expand the scope of the inspection or the Report, nor will such statements override the content of the Report when given during the inspection or at any other time. The Report will be the property of Inspector and the customer and may not be used by any other person without written consent of both parties. The parties hereby authorize distribution of copies of the Report to

13. Inspection requirements and limitations. The building, its components, and equipment are to be readily accessible for inspection at the scheduled date and time. All utilities and pilot lights must be active and operational to facilitate a complete inspection at that time. The inspector does not move furniture, storage, obstructions, floor coverings, or panels to inspect any part of the building and its components. Failures to meet these requirements that delay completion of the inspection will incur additional charges.

14. Specific limitations. The inspector does NOT determine design problems. Determining operational capacity, quality, or suitability for a particular use are outside the scope of this inspection, as are any specialized engineering or scientific technician test, or tests sampling any components, such as roofing, insulation, paint, or any other part of the structure. Inspector will have no liability for latent defects or defects that cannot be observed by a normal visual inspection or through normal equipment operation. Inspector offers no guarantee of continued future operation of inspected components free of failure and limits his liability specifically to the condition at the time of inspection. The inspector is not responsible for reporting noncompliance of any building, plumbing, electrical, or mechanical codes of any organization or municipality. The inspector's liability will be limited to the value of the inspection

Statements on the Report are not intended to endorse or condemn any appliance, system or component of the building, or the building in its entirety. The Report is not an appraisal and is not intended to establish property value.

The Report may not include minor settlement or defects in concrete, walls, and veneer considered within normal tolerance and that do not affect structural viability. The Report may not include cosmetic defects, such as minor cracks, soiled surfaces, dents, and scrapes. The Report does not include internal defects in EIFS (Exterior Insulation Finish Systems); inspection of EIFS systems is necessarily intrusive and cannot be performed without core sampling and specialized education by the individual manufacturers.

15. Special disclosure. Cracks occurring in concrete slabs and interior and exterior walls may be caused by several conditions. Temperature changes, curing time, and soil conditions, such as movement and moisture content, may cause cracking without affecting structural integrity. Such cracks should be monitored for expansion at an abnormal rate that would indicate the need for corrective measures. Proper foundation maintenance will minimize soil settlement and the enlargement of existing or initial appearance of new cracks. This may include a program of watering, drainage, and removal of plantings adjacent to foundation walls.

16. Special note. Slab cracks may also afford entrance for vermin, insects, and radon gas. Cracks may be sealed to prevent these intrusions.

The inspector encourages the customer to obtain second opinions from licensed professionals about any areas of concern. The customer has a right to more than one inspection, or inspector.

The inspector recommends that the client obtain records of work orders and receipts for all recent work on the property and that any new work be contracted to or supervised by certified, licensed and bonded qualified professionals.

TERMS AND CONDITIONS

The following terms and conditions apply to all work performed by Inspector.

1. It is understood and agreed that this inspection will be of readily accessible areas of the property and is limited to visual observations of apparent condition existing at the time of the inspection only.
2. LATENT AND CONCEALED DEFECTS AND DEFICIENCIES ARE EXCLUDED FROM THE INSPECTION. Items and systems will not be dismantled. The Inspector is not required to move personal property, debris, furniture, equipment, carpeting, or like materials that may impede access or limit visibility. Crawl spaces will not be entered if there is less than three feet of clearance or Inspector feels endangered. Attic spaces with less than five feet of headroom may not be entered, nor shall the roof be walked on by the Inspector when there is a question of the safety of the Inspector or damage to the roofing system.
3. THE INSPECTION IS NOT INTENDED TO BE TECHNICALLY EXHAUSTIVE. Cost estimates are not quoted in the Report. Individual bids from contractors may vary substantially depending on the quality of the work, the circumstances, and the contractor submitting bids. Customer is urged to solicit bids from properly licensed contractors on repairs reported here before closing.
4. Maintenance and other items may be discussed, but they are not a part of this inspection. THE REPORT IS NOT A COMPLIANCE INSPECTION OR CERTIFICATION FOR PAST OR PRESENT GOVERNMENTAL CODES OR REGULATIONS OF ANY KIND. THE INSPECTOR DOES NOT INSPECT FOR INSURABILITY.
5. Pressure gauges are **NOT** used to test air conditioners, water lines, or **GAS LINES**. Garbage disposers are checked for on and off operation only. Only the dishwasher's ability to fill and drain without obvious leaks is checked. Dishwashers, ranges, ovens, microwave ovens and like appliances, and their timers, controls or elements are not checked. Self-cleaning ovens are not operated, inspected, or tested. Remote controls for garage doors or any other appliances or systems are not checked. Electrical outlets are randomly checked. A sampling of windows and doors will be operated.
6. This inspection and Report does not address and is not intended to address the possible presence of, or danger from, any potential harmful substances or environmental hazards, including, but not limited to natural gas, radon gas, lead paint, asbestos, urea formaldehyde, carbon monoxide, carbon dioxide, toxic or flammable chemicals, water related illness or disease, including lead, mold, or other harmful substance, or airborne related illness or disease and all other similar or potentially harmful substances. Customer is urged to contact a reputable specialist if information, identification or testing for the above is desired. In addition, the presence or absence of rodents, termites, other insects, or other vermin is not covered by this inspection, nor is the damage caused by rodents, termites, other insects or other vermin. This inspection does not include a test for the presence of radon or other harmful or hazardous, or potentially harmful or hazardous, substances. The United States Environmental Protection Agency recommends that all homes that are part of a real estate transaction be tested for radon gas, a known cancer causing substance, and that homes reaching a radon level of 4 pCi/L or higher be mitigated.
7. It is the responsibility of the Customer to inquire about burglar/security alarm operation and service procedures to determine whether the alarm is owned or leased from a servicing company.
8. It is the responsibility of the Customer to provide the Inspector with a copy of the Seller disclosure form and with a list of any defects that are known at the time of the inspection. All disclosure statements must be given to the Inspector prior to the inspection. The Customer is encouraged to attend the inspection. This inspection is to be considered a point in time inspection.
9. The Report is prepared exclusively for Customer. The Report is not intended for third party dissemination. The Report shall not be forwarded to any other person, company, or legal entity without Inspector's express written approval with these exceptions only: a. one copy may be provided to the current sellers of the property and their attorneys with the express condition that the Report be used only in connection with the Client's transaction, and for no other purpose, and with the agreement not to transfer or disclose the contents of the Report to any other party other than their real estate agent. b. one copy may be provided to Client's real estate agent and/or a bank or lender for use in Client's transaction only. c. Client's agents, attorneys, or brokers. Client agrees to indemnify, defend, and hold harmless Inspector from any third party claims relating to the inspection or the Report. Inspector copyrights the Report, which is protected by copyright law.
10. Inspector accepts no responsibility for misinterpretation of the Report.
11. Payment is expected and due upon completion of the inspection. The Report shall be delivered to the customer within 48 hours of the inspection. There will be an additional charge of \$50.00 for each extra copy of the Report. There will be a \$50.00 returned check charge. Any, and all, legal fees incurred by Inspector to collect fees will be assessed against Customer.

12. INSPECTOR ASSUMES NO LIABILITY AND SHALL NOT BE LIABLE FOR ANY MISTAKES, OMISSIONS, OR ERRORS IN JUDGMENT OF ITS EMPLOYEES, OR SUBCONTRACTORS, BEYOND THE COST OF THE INSPECTION REPORT. THIS LIMITATION OF LIABILITY SHALL INCLUDE AND APPLY TO ALL CONSEQUENTIAL DAMAGES, BODILY INJURY AND PROPERTY DAMAGE OF ANY NATURE. INSPECTOR'S LIABILITY ARISING OUT OF PERFORMANCE OF SERVICES TO CUSTOMER WILL BE LIMITED TO NO MORE THAN THE CONTRACT AMOUNT INSPECTOR HAS AGREED TO CHARGE CUSTOMER FOR THE SERVICES IDENTIFIED HEREIN. CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS INSPECTOR FROM AND AGAINST ALL LIABILITIES IN EXCESS OF THE CONTRACT AMOUNT.
13. BOTH PARTIES AGREE THAT INSPECTOR, IT'S EMPLOYEES, AGENTS, OR REPRESENTATIVES, ASSUME NO LIABILITY OR RESPONSIBILITY FOR THE COST OF REPAIRING OR REPLACING ANY UNREPORTED DEFECTS OR DEFICIENCIES, EITHER CURRENT OR ARISING IN THE FUTURE, OR FOR ANY PROPERTY DAMAGE, CONSEQUENTIAL DAMAGE, OR BODILY INJURY OF ANY NATURE.
14. THE INSPECTION AND REPORT ARE NOT INTENDED OR TO BE USED AS A GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE ADEQUACY, PERFORMANCE, LIFE EXPECTANCY OR CONDITION OF ANY INSPECTED STRUCTURE, ITEM OR SYSTEM. THIS REPORT IS TO BE CONSIDERED A POINT IN TIME INSPECTION, MEANING THE SYSTEMS AND ITEMS REPORTED ON ARE WORKING AS REPORTED AT THE TIME OF THE INSPECTION.
15. In the event of a claim against INSPECTOR, CLIENT agrees to supply INSPECTOR with the following: (1) Written notification of adverse conditions within 14 days of discovery, and (2) Access to the premises. Failure to comply with the above conditions will release INSPECTOR and its agents from any and all obligations or liability of any kind.
16. Any dispute, controversy concerning the interpretation of this agreement or arising from this inspection and report, except one for inspection fee payment, shall be resolved informally between the parties or by arbitration conducted in accordance with the rules of the American Arbitration Association except that the parties shall select an arbitrator who is familiar with the home inspection industry. The Arbitrator shall conduct summary judgment motions and enforce full discovery rights as a court would as provided in the Code of Civil Procedure.
17. If any provision of this Agreement shall be held unenforceable, invalid, or void to any extent for any reason, such provision shall remain in force and effect to the maximum extent allowable, if any, and the enforceability or validity of the remaining provisions of the Agreement shall not be affected thereby.