

EYEON CLIENT AGREEMENT FOR BUILDING AND PEST INSPECTIONS AND REPORTS

RETURNS AND REFUNDS POLICY

EYEON Group Pty Ltd will refund the purchase price of a product in full only in the following circumstances:

1. Where you have received an item that you did not order.
2. Where you have received an item that in EYEON's opinion is materially defective.

In all other cases, no refund will be provided.

CANCELLATION POLICY

You agree that the following cancellation fees will apply where inspections are cancelled at short notice.

1. Same day cancellations (before the inspection is done) - 50% of our standard inspection and report fee.
2. At, or after, the scheduled inspection time - 100% of our standard inspection and report fee.

BACKGROUND

You agree that You have read and understood the contents of this agreement and You agree that the property inspection and associated report will be undertaken and purchased on the terms and conditions set out in this agreement.

PRIVACY AND CONSENT TO DISCLOSE PERSONAL INFORMATION

1. You acknowledge that EYEON's privacy policy can be found at www.eyeon.com.au .

2. You consent to Your name being disclosed to the Agent. If you wish to withdraw your consent to Your name being disclosed to the Agent you should contact EYEON before purchasing a report. You can reach us on 1300 798 274 or info@eyeon.com.au during business hours. See below for further comments on this issue.

(a) Selling agents are always interested to know when potential buyers are looking seriously at a property. Buyers are sometimes keen to do their property due diligence away from the gaze of the selling agent. However there are circumstances where this can be a disadvantage. For example the agent is likely to contact serious buyers if they receive a pre-auction offer or there is another development relating to the sale of the property. If the agent is not aware of your level of interest, you may miss out on this information. Therefore, it may be in your best interests for the agents to be aware that you have gone to the expense of purchasing due diligence reports.

EXPIRED EYEON BUILDING AND PEST REPORTS

3. If You are purchasing a Report prepared by EYEON more than 3 months ago, it may no longer reflect the current condition of the property. Circumstances at a property can change quickly and therefore the only way to get up to date information is for the property to be reinspected. EYEON can arrange for another inspection to be carried out at the Property. Please contact us to discuss the costs associated with this service.

4. If You agree to download the expired Report, it is provided to You as historical information based on what the Inspector saw at the Property on the date of the Inspection. However, You cannot rely on the Report as a summary of the current condition of the Property or as a complete summary of defects that currently exist at the Property.

GENERAL

5. The Reports shall consist of:

(a) A building and timber pest inspection report

6. The purpose of the Report is to:

(a) provide general information to You about the condition of the Property at the date and time of an inspection of the Property. In the case of a Building Inspection, the purpose of the inspection is to identify major defects, the incidence of minor defects and safety hazards associated with the property at the time of the inspection. In the case of a Timber Pest Inspection, the purpose of the inspection is to provide advice about the condition of the property concerning timber pest activity; and

(b) provide an informed comparison of the Property with other similar properties of a similar age that have been regularly maintained.

7. The Reports are created:

(a) independently of the owner of the Property, the selling agent or any prospective buyers; and

(b) without consideration of any sales documentation for the Property.

8. You agree not to solely rely on the Reports in having any dealing with the Property, including purchasing or selling the Property. You should obtain independent legal and financial advice before having any dealing in the Property.

9. The Reports are prepared and presented, unless stated otherwise, under the assumption that the use of the building will remain residential.

10. The Reports are not a certificate of compliance that the Property complies with the requirements of any Act, regulation, ordinance, local law or by-law, or as a warranty or insurance policy against problems developing with the Property in the future. You acknowledge that the limit of OUR liability is that of the inspector's professional indemnity insurance that is in place at time of inspection. A copy of this insurance cover can be provided on request.

11. The Reports are not to be relied upon by any other person other than You or for any other purpose not specified in this agreement. We accept no liability to third parties nor do we contemplate that the Report will be relied upon by third parties. We invite other parties who may come into possession of the Report to seek our written consent to them relying on this report. We reserve our right to withhold consent or to review the contents of this Report in the event that our consent is sought. Such consent will be subject to the payment of an additional fee.

12. Neither the whole nor any part of the Reports or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval by EYEON of the form and context of which it may appear.

13. An environmental search has not been undertaken and our Report assumes that there are no surface or sub surface soil problems including instability, toxic or hazardous wastes or building material hazards in or on the Property that would adversely affect its existing or potential use or reduce its marketability. Should any problem be known or arise then this Report should be requisitioned for comment.

14. WE confirm that we have no direct or indirect pecuniary or other interest in the subject property nor with the owner, other than any fee the vendor may have paid in connection with the provision of our Open Access reports service.

INTELLECTUAL PROPERTY

15. You agree that any intellectual property rights (including without limitation copyright, patents, database related rights, design right, trade marks, service marks, in each case whether registered or unregistered) in the Reports remain the property of EYEON.

16. You agree not to reproduce, publish, distribute or sell the Reports or any intellectual property rights therein, whether for free or in return for a fee, without EYEON's express written permission.

17. You agree to inform EYEON within two business days of any knowledge or suspicion of an infringement of EYEON's intellectual property rights.

ESTIMATES

18. Any cost estimates provided in the Report are merely the Inspector's personal opinions of possible costs that could be encountered, based on the knowledge and experience of the Inspector, and are not estimates in the sense of being a calculation of the likely costs to be incurred. The estimates are NOT a guarantee or quotation for work to be carried out. WE accept no liability for any estimates provided throughout the Report and where they occur YOU agree to obtain and rely on independent quotations for the same work.

BUILDING INSPECTION

19. The building inspection for the Property is a visual inspection of the Building Elements of the Property as at the date of inspection of the Property as outlined in Appendix C of AS4349.1-2007 except for Strata title properties where the inspection is conducted according to Appendix B of AS4349.1-2007. A copy of AS4349.1-2007 with Appendices may be obtained from Standards Australia at your cost. EYEON is not permitted, because of copyright restrictions, to provide you with a copy of AS4349.1-2007 without charge.

20. Subject to Safe and Reasonable Access the Report normally comments on the condition of each of the following areas:

- (a) the interior;
- (b) the roof void;
- (c) the exterior;
- (d) the subfloor; and
- (e) the roof exterior.

21. In the Report, the Inspector comments individually on Major Defects and Safety Hazards evident and visible to him or her on the date and time of the inspection. The Report also provides a general assessment of the Property and collectively comments on Minor Defects which would form a normal part of property maintenance.

22. Where a Major Defect has been identified in the Report, the Inspector gives an opinion as to why it is a Major defect and specifies its location.

23. The Inspector conducts a non-invasive visual inspection which is limited to those accessible areas and sections of the property to which Safe and Reasonable Access is both available and permitted on the date and time of the inspection. Areas where reasonable entry is denied to the Inspector, or where Safe and Reasonable Access is not available, are excluded from and do not form part of, the inspection. Those areas may be the subject of an additional inspection upon request following the provision of reasonable entry and access.

24. The Inspection does NOT involve any invasive inspection including cutting, breaking apart, dismantling, removing or moving objects including, but not limited to, roofing, wall and ceiling sheeting, ducting, foliage, mouldings, debris, roof insulation, sarking, sisalation, floor or wall coverings, sidings, fixtures, floors, pavers, furnishings, appliances or personal possessions.

25. The Inspection and Report compares the inspected building with a building that was constructed in accordance with the generally accepted practice at the time of construction and which has been maintained such that there has been no significant loss of strength and permanence.

26. The Inspection excludes the inside of walls, between floors, inside skillion roofing, inside the eaves, behind stored goods in cupboards, and other areas that are concealed or obstructed. The Inspector does not dig, gouge, force or perform any other invasive procedures.

27. Unless a timber pest inspection is being carried out, the Inspection WILL NOT look for or report on Timber Pest Activity.

28. If Timber Pest Damage is found then it will be reported. The inspector will only report on the damage which is visible.

29. **ASBESTOS:** No inspection for asbestos has been carried out at the property and no comment on the presence or absence of asbestos has been provided in the Report. If during the course of the Inspection asbestos or materials containing asbestos happened to be noticed then this may be noted in the general remarks section of the report. If asbestos is noted as present within the property then you agree to seek advice from a qualified asbestos removal expert as to the amount and importance of the asbestos present and the cost sealing or of removal.

30. The Report does not cover or report the items listed in Appendix D to AS4349.1-2007. These include those items set out in Appendix 1 of this agreement.

31. The Report does not comment on any defects which may not be apparent due to prevailing weather conditions at the time of the inspection. Such defects may only become apparent in differing weather conditions.

32. Where the Report is restricted to the general condition of the structure of the property, it does not comment on those items noted in Clause A3 of AS 4349.1-2007 (e.g. condition of roof coverings, partition walls, cabinetry, doors, trims, fencing, minor structures, ceiling linings, windows, non-structural & serviceability damp issues, rising damp, condensation etc.).

MOULD (MILDEW) AND NON-WOOD DECAY FUNGI

33. Mildew and non-wood decay fungi is commonly known as Mould and is not considered a Timber Pest. However, Mould and their spores may cause health problems or allergic reactions such as asthma and dermatitis in some people. No inspection for Mould has been carried out at the property and no comment on the presence or absence of Mould has been provided in the Report. If you are concerned as to the possible existence of Mould then you should seek advice from your local Council, State or Commonwealth Government Health Department or a qualified expert such as an Industry Hygienist.

TIMBER PEST INSPECTION

34. The timber pest inspection for the Property is a visual non-invasive inspection of the Property as at the date of inspection of the Property in accord with Australian Standard AS4349.3-1998 (Part 3: Timber Pest Inspections). A copy of AS4349.3-1998 may be obtained from Standards Australia at your cost. EYEON is not permitted, because of copyright restrictions, to provide you with a copy of AS4349.3-1998 without charge.

35. For the purposes of carrying out the Timber Pest inspection, the Inspector may use a probe or screwdriver to tap and sound some timbers. The Inspector may use a moisture meter to check moisture levels in walls that back onto wet areas such as showers etc. Other than these areas the moisture meter is not used on other surfaces except where the visual inspection indicates that there may be a need to further test the area.

LIMITATIONS TO TIMBER PEST INSPECTION

36. The Timber Pest inspection is limited to those areas and sections of the Property to which Safe and Reasonable Access is both available and permitted on the date and time of the inspection.

37. The Timber Pest inspection does not involve any invasive inspection including cutting, breaking apart, dismantling, removing or moving objects including, but not limited to, roofing, wall and ceiling sheeting, ducting, foliage, mouldings, debris, roof insulation, sarking, sisalation, floor or wall coverings, sidings, fixtures, floors, pavers, furnishings, appliances or personal possessions.

38. The Inspector **cannot see** or inspect inside walls, between floors, inside skillion roofing, inside the eaves, behind stored goods in cupboards, in other areas that are concealed or obstructed. Insulation in the roof void may conceal the ceiling timbers and make inspection

of the area unsafe. The Inspector does not dig, gouge, force or perform any other invasive procedures. An invasive inspection will not be performed unless a separate contract is entered into.

39. Nothing contained in the Report implies that any inaccessible or partly inaccessible area(s) or section(s) of the Property are not, or have not been, infested by termites or Timber Pests. Accordingly the Report does not guarantee that an infestation and/or damage does not exist in any inaccessible or partly inaccessible areas or sections of the Property. Nor can it guarantee that a future infestation of Timber Pests will not occur or be found.

40. The Timber Pest inspection is confined to reporting on the discovery, or non-discovery, of infestation and/or damage caused by subterranean and dampwood termites (white ants), borers of seasoned timber and wood decay fungi (rot), present on the date and time of the Property inspection. The inspection does not cover any other pests and the Report does not comment on them. Dry wood termites (Family: KALOTERMITIDAE) and European House Borer (*Hyloterpes bujulus* Linnaeus) are excluded from the property inspection.

DETERMINING THE EXTENT OF TIMBER PEST DAMAGE

41. The Report indicates any evidence of a termite treatment that happens to be found at the Property. Where evidence of a treatment is found YOU should assume that the treatment was applied as a curative and not as a preventative. You should obtain a statement from the owner as to any treatments that have been carried out to the property. It is important to obtain copies of any paperwork issued.

42. The Report states timber damage found as being either 'minor', 'moderate', 'moderate to severe' or 'severe'. This information is not the opinion of an expert, as the Inspector is not qualified to give an expert opinion. The Report does not and cannot state the full extent of any timber pest damage. If any evidence of Timber Pest activity and/or damage resulting from Timber Pest activity is reported either in the structure(s) or the grounds of the property, then You must assume that there may be some structural or concealed damage within the building(s). An invasive Timber Pest Inspection should be carried out and You should arrange for a qualified person such as a Builder, Engineer, or Architect to carry out a structural inspection and to determine the full extent of the damage and the extent of repairs that may be required. EYEON is able to help to arrange these services.

43. If Timber Pest activity and/or damage are found, within the structures or the grounds of the Property, then damage may exist in concealed areas (e.g. framing timbers). In this case an invasive inspection is strongly recommended. Damage may only be found when wall linings, cladding or insulation are removed to reveal previously concealed timber. You agree that EYEON is not responsible or liable for the repair of any damage whether disclosed by the Report or not.

OCCUPIED PROPERTIES

44. If the Property is occupied then You must be aware that furnishings or household items may be concealing evidence of problems, which may only be revealed when the items are moved or removed. The Inspector does not generally move furnishings or household items during the course of an inspection of an occupied Property. Where the Report says the Property is occupied You agree to:

(a) obtain a statement from the owner as to:

- (i) any Timber Pest activity or damage;
- (ii) timber repairs or other repairs;
- (iii) alterations or other problems to the Property known to them;
- (iv) any other work carried out to the Property including Timber Pest treatments;

(b) obtain copies of any paperwork issued and the details of all work carried out; and

(c) indemnify EYEON from any loss incurred by You relating to the items listed in subclause (a) above.

RELEASE AND INDEMNITY

45. You agree that EYEON or the Inspector cannot accept any liability for a failure to report a defect that was concealed by the owner of the Property being inspected and You agree to indemnify EYEON and the Inspector for any failure to find such concealed defects.

46. Where the Report recommends another type of inspection including an invasive inspection and report then You should have such an inspection carried out prior to the exchange of contracts or end of cooling-off period. If You fail to follow EYEON's recommendations then You agree and accept that You may suffer a financial loss and indemnify EYEON against all losses that You incur resulting from Your failure to act on this advice.

47. EYEON takes all proper care in preparing the Reports. However, You acknowledge that EYEON:

- (a) accepts no responsibility for the completeness or accuracy of any of the information referred to in the Reports; and
- (b) makes no representations about the Property's suitability for any particular purpose.

48. To the full extent permitted by law, You agree to:

(a) release and forever discharge EYEON from all claims, actions, proceedings, judgments, damages, losses, interest, costs and expenses of whatever nature arising out of, or incidental to, any claim commenced by or on behalf of You in relation to:

- (i) the content of the Reports;
- (ii) any reliance by You or another person on the Reports; and

(b) fully indemnify EYEON in respect of any claims, actions, proceedings, judgments, damages, losses, interest, costs (including legal expenses on a solicitor-client or full indemnity basis, whichever is higher), expenses or any other loss incurred by EYEON as a result of a breach of this Agreement by You.

DISPUTE RESOLUTION

49. If a dispute arises out of, or in any way in connection with, or otherwise relates to this agreement or the Report, or the breach, termination, validity or subject matter thereof, or as to any related claim at law, in equity or pursuant to any statute, the parties agree to refer their dispute to arbitration administered by the Institute of Arbitrators and Mediators of Australia.

DEFINITIONS

50. The following words have the corresponding meaning when used in this agreement:

- (a) **Acceptance Criteria:** The Building shall be compared with a building that was constructed in accordance with the generally accepted practice at the time of construction and which has been maintained such that there has been no significant loss of strength and serviceability
- (b) **Access hole (cover)** means an opening in the structure to allow for safe entry to carry out an inspection.
- (c) **Accessible area** means an area of the site where sufficient safe and reasonable access is available to allow inspection within the scope of the inspection.
- (d) **Active** means the presence of live Timber Pests at the time of the property inspection.
- (e) **Building Element** means a portion of a building that, by itself or in combination with other such parts, fulfils a characteristic function.
- (f) **Client means** the person(s) who requests the report. If ordered by the client's Agent then it is agreed that the Agent represents the client and has the authority to act for and on behalf of the client.
- (g) **Agent** means the Person(s) appointed by the owner of the Property to act as the real estate agent in respect of the sale of the Property.
- (h) **Defect** means a fault or deviation from the intended condition of the material, assembly or component.
- (i) **High moisture reading** means a reading on a moisture meter that is higher than normal for other parts of the structure. Such high readings should be investigated by invasive means as the presence could indicate a leak or may indicate Timber Pest activity and damage.
- (j) **Inspector** means the person or organisation responsible for carrying out the inspection of the Property.
- (k) **Limitation** means any factor that prevents full achievement of the purpose of the inspection.
- (l) **Major defect** means a defect of sufficient magnitude where rectification has to be carried out in order to avoid unsafe conditions, loss of utility or further deterioration of the property.
- (m) **Minor defect** means a defect other than a Major defect.

(n) **Person** means any individual, company, partnership or association who is not a Client.

(o) **Property** means the land situated at the address indicated in the Report and includes the structures and boundaries up to thirty (30) metres from the exterior walls of the main building but within the boundaries of the Property on which the main building is erected.

(p) **Report** means the document and any attachments issued to YOU by US following the inspection of the property.

(q) **Safe and Reasonable Access** does not include the use of destructive or invasive inspection methods or moving furniture or stored goods.

Safe and Reasonable Access means only areas to which reasonable access is available are inspected. The Australian Standard AS 3660 refers to AS 4349.3-2010 which defines reasonable access. Access will not be available where there are safety concerns, or obstructions, or the space available is less than the following:

Roof Void - the dimensions of the access hole should be at least 500mm x 400mm, and, reachable by 3.6m ladder, and, there is at least 600mm x 600mm of space to crawl;

Roof Exterior - must be accessible by a 3.6m ladder.

Subfloor - Access is normally not available where dimensions are less than 500mm x 400mm for the access hole and less than 400mm of crawl space beneath the lowest bearer, or, less than 500mm beneath the lowest part of any concrete floor;

The inspector shall determine whether sufficient space is available to allow safe access to confined areas.

Reasonable access does not include the use of destructive or invasive inspection methods. Nor does reasonable access include cutting or making access traps, or moving heavy furniture or stored goods.

(r) **Selling Agent** means the Person(s) appointed by the owner of the Property to act as the real estate agent in respect of the sale of the Property.

(s) **Structural Inspection** means the inspection shall comprise visual assessment of accessible areas of the property to identify major defects to the building structure and to form an opinion regarding the general condition of the structure of the property.

(t) **Termites** means subterranean and damp wood termites (white ants) and does not include dry wood termites.

(u) **Timber Pest** means subterranean and damp wood termites (white ants), borers of seasoned timber and wood decay fungi (rot).

(v) **WE/US/OUR** means the seller of the report, their employees and contractors, including the Inspector.

(w) **YOU/YOUR** means the person purchasing the Report, and where more than one party all such parties jointly and severally, together with any agent of that party.

Appendix 1

Items excluded from Building Inspection under Appendix D of AS 4349.1-2007

- (a) Footings below ground.
- (b) Concealed damp-proof course.
- (c) Electrical installations, operation of smoke detectors, light switches and fittings, TV, sound and communications and security systems.
- (d) Concealed plumbing.
- (e) Adequacy of roof drainage as installed.
- (f) Gas fittings and fixtures.
- (g) Air conditioning.
- (h) Automatic garage door mechanisms.
- (i) Swimming pools and associated filtration and similar equipment.
- (j) The operation of fireplaces and solid fuel heaters, including chimneys and flues.
- (k) Alarm systems.
- (l) Intercom systems.
- (m) Soft floor coverings.
- (n) Electrical appliances including dishwashers, incinerators, ovens, ducted vacuum systems.
- (o) Paint coatings, except external protective coatings.
- (p) Health hazards (e.g. allergies, soil toxicity, lead content, radon, presence of asbestos or urea formaldehyde).
- (q) Timber and metal framing sizes and adequacy.
- (r) Concealed tie-downs and bracing.
- (s) Timber pest activity.
- (t) Other mechanical or electrical equipment (e.g. such as gates, inclinators).
- (u) Soil conditions.
- (v) Control joints.
- (w) Sustainable development provisions.
- (x) Concealed framing timbers or any areas concealed by wall linings/sidings.
- (y) Landscaping.
- (z) Rubbish.
- (aa) Floor cover.
- (bb) Furniture and accessories.
- (cc) Stored items.
- (dd) Insulation.
- (ee) Environmental matters (e.g. BASIX, water tanks, BCA Environmental Provisions).
- (ff) Energy efficiency.
- (gg) Lighting efficiency.