

## MOLD DISCLOSURE AND DISCLAIMER

### MOLD DISCLOSURE

Molds can be found almost anywhere. They occur naturally in the environment and they can grow on virtually any organic substance, as long as moisture and oxygen are present. For example, molds can grow on wood, carpet, bathroom tile, insulation, paper, foods, etc. Mold growth will often occur when there is excessive moisture accumulation in buildings or on building materials. Molds reproduce by tiny spores that float throughout the air and begin growing indoors when the spores land on surfaces that are wet. Of all the types of mold, not one of them will grow without water or moisture. It is impossible to eliminate all molds and mold spores from an indoor environment. In fact, a house that is properly built can still have water penetration and resulting mold. Moreover, in areas where relative humidity is high, mold can be present even if there is no other outside water coming in the house. Nonetheless, mold growth can be controlled indoors by controlling moisture and water accumulation or penetration.

Moisture and water can come from many sources. There may be water or humidity problems in the house, a spill that was not cleaned up properly, a pipe that is leaking, a water heater that leaks, gutters that are overflowing and/or improper soil slope around the house causing water to penetrate the foundation, etc. While it is not possible to get rid of all mold spores, it is possible to help prevent them from growing by controlling the moisture in your house. There are many ways to control the moisture in your house. For example, you should fix leaks as soon as possible, clean and dry water and wet spots and address their cause, dehumidify and ventilate your house as well as your basement, re-caulk your house inside and out often, keep heating, air conditioning and ventilation drip pans clean, vent your dryer to the outside, keep the humidity in your house below 60%, etc.

It is recommended that you do NOT store items in the basement of your home that will absorb moisture. Such items include but are not limited to cardboard and paper products, fabrics, furniture, etc. If you must store water absorbing items in the basement you should wait a minimum of 120 to 150 days after settlement.

Molds can cause health problems. Molds produce allergens, which are substances that can cause allergic reactions, and in some cases, potentially toxic substances called mycotoxins. The most common reactions are sneezing, runny nose, red eyes, and skin rash. Molds can also cause very serious health problems, and even death, especially in children and individuals with suppressed immune systems. However, experts disagree on the levels of mold exposure that cause health problems. Research on mold and its effects on health are ongoing. For more detailed information consult a health professional. You may also wish to consult your state or local health department.

In the event you discover mold in your home, you should act quickly since the longer mold has a chance to grow, the more it damages what it grows on. Depending on the size of the moldy area, you may clean it yourself. For larger areas, you may want to contact a professional. For more information on cleanup, see "A Brief Guide to Mold, Moisture, and Your Home", published by the U.S. Environmental Protection Agency. A copy may be obtained from the

Internet at: <http://www.epa.gov/iaq/molds/moldguide.html> or for more information, call the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318.

### MOLD DISCLAIMER

TO PREVENT MOLD GROWTH IN THE HOME, THE HOMEOWNER MUST TAKE CERTAIN STEPS TO PROPERLY MANAGE AND MAINTAIN THE PROPERTY. THESE STEPS ARE ATTACHED HERETO.

SELLER HAS TAKEN STEPS TO PREVENT WATER PENETRATION AND MOISTURE ACCUMULATION IN THE BUYER'S HOME. THESE STEPS INCLUDE THE WATERPROOFING OF THE BASEMENT FOUNDATION (AS OPPOSED TO THE MORE COMMON PRACTICE OF DAMP-PROOFING ONLY). THE INSTALLATION OF PROPER FLASHING, PROPER SEALING OF ALL WINDOW AND DOOR OPENINGS AND INSTALLATION OF HVAC FEED AND DAMPERED RETURN FOR PROPER CIRCULATION IN THE BASEMENT AND DOING SPECIFIC INSPECTIONS OF THE HOUSE PRIOR TO DELIVERY TO ASCERTAIN WHETHER THERE ARE ANY VISIBLE WATER LEAKS. BUYER UNDERSTANDS THAT THE STEPS OUTLINED HEREIN ARE ABOVE AND BEYOND WHAT SELLER NORMALLY DOES TO BUILD A HOUSE AND PREVENT WATER PENETRATION. NONETHELESS, BUYER ACKNOWLEDGES THAT MISTAKES DO HAPPEN IN THE COURSE OF BUILDING A HOME THAT COULD RESULT IN WATER OR MOISTURE ACCUMULATION OR PENETRATION AND THAT IN ANY EVENT, A HOUSE CANNOT BE BUILT THAT WILL ELIMINATE ANY WATER PENETRATION ISSUES FROM THE EXTERIOR OR FROM LEAKAGE OR HUMIDITY IN THE HOUSE.

IN CONSIDERATION OF THE SELLER PROVIDING THE WRITTEN WARRANTIES IN THE AGREEMENT OF SALE AND THE SELLER TAKING THE ADDITIONAL STEPS AS OUTLINED HEREIN, SELLER SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES, LIABILITIES, CLAIMS OR LOSSES INCURRED BY BUYER ARISING OUT OF OR RELATING TO MOLD OR ANY OTHER FUNGUS OR AGENT, WHETHER OR NOT ASSOCIATED WITH ALLEGED DEFECTS IN CONSTRUCTION, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGES, PERSONAL INJURY, ADVERSE HEALTH EFFECTS, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE, OR LOSS OF VALUE AND BUYER HEREBY RELEASES SELLER FROM SAME. THIS MEANS THAT BUYER SHALL NOT SEEK TO HOLD SELLER RESPONSIBLE UNDER ANY LEGAL THEORY FOR ANY DAMAGES WHATSOEVER CAUSED BY MOLD OR ANY OTHER AGENT, EVEN IF RESULTS FROM A DEFECT, LATENT (UNKNOWN) OR OTHERWISE, IN THE BUILDING PROCESS.

THE BUYER HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ AND UNDERSTOOD THE ABOVE NOTICE AND DISCLAIMER AND AGREE TO THE PROVISIONS CONTAINED HEREIN.

IN THE EVENT THAT BUYER BRINGS AN ACTION AGAINST SELLER  
CONTRARY TO THE ABOVE, BUYER SHALL BE RESPONSIBLE FOR ALL SELLER'S  
REASONABLE ATTORNEY'S FEES AND COSTS, INCLUDING EXPERT'S FEES AND  
THAT ANY SUCH ACTION SHALL BE IN THE VENUE OF THE COUNTY WHERE THE  
PROPERTY IS LOCATED AND NOWHERE ELSE.

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Witness

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Date

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Buyer

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Witness

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Date

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Buyer

SELLER: FORINO CO., L.P.

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Attest

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Date

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BY: Authorized Signatory