

SERVICE AND LIMITED REPAIR CONTRACT FOR SUBTERRANEAN TERMITES
(EXCLUDES ANY AERIAL INFESTATION BY TERMITES)

THIS CONTRACT PROVIDES FOR THE RETREATMENT OF THE INFESTED AREAS OF THE COVERED STRUCTURE(S) AND THE LIMITED REPAIR OF DAMAGE CAUSED BY SUBTERRANEAN TERMITES. IN ADDITION, THIS CONTRACT PROVIDES FOR A DEFINED POST CONSTRUCTION SOIL TREATMENT.

DATE: 3/14/13 ACCOUNT NO.: R3742
CUSTOMER: Sheldon Perhacs
MAILING ADDRESS: same
WORK PHONE: 939-3039 HOME PHONE:
TREATMENT ADDRESS: 1607 21st St S B'ham AL 35205
STRUCTURE(S) TREATED: office (see waiver)

GENERAL CONDITIONS

This Contract (hereinafter "Contract") between Alabama Professional Services, Inc. (hereinafter "APS") and the Customer named above (hereinafter "Customer") covers only the primary structure listed above. (No fences, detached garages, out-buildings, decks or other building or construction at the above address are covered unless specified in writing and shown on the diagram.) This Contract provides treatment for Subterranean Termites including Formosan Termites from ground infestation. This contract does not control or protect against any aerial (above ground) infestation of any kind, such as but not limited to subterranean termites, drywood, dampwood, carpenter ants, powder post beetles, or wood boring beetles. This Contract does not provide for protection from or treatment for any other wood destroying organism, mold, fungus, insect or pest. For the sum of \$ 300 APS will inspect and treat the identified structure(s) for a period of one (1) year and is effective 3/14/13 through 3/14/14. This contract may be renewed annually after the first anniversary of the initial term as specified in Paragraph 3, for an annual renewal fee of \$ 125. The renewal years will be for inspection only unless live termites are found. The annual renewal fee may be adjusted after the 1st anniversary of date of this Contract on a year to year basis at the sole discretion of APS. The Customer understands that, upon the anniversary of the fifth year, this Contract shall terminate unless a Defined Post Construction treatment is applied and paid for by the Customer. After said treatment, a year to year contract may be negotiated. THIS CONTRACT IS VOID WITHOUT THE ATTACHED COMPLETED DIAGRAM OF THE STRUCTURE TREATED. PAYMENT TERMS: The initial Contract price shall be payable as follows: pay at treatment

APS AND CUSTOMER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

1. SELECTION OF TREATMENT. APS agrees to apply a standard stand-alone treatment of a liquid termiticide to the structure(s) listed above. Such treatment will be in accordance with the chemical manufacturer's instructions, U.S. EPA approved labels and the requirements of federal and state laws and regulations. Customer agrees to cooperate with APS as to the application of the liquid termiticide. Customer further agrees to comply with ALL requirements of the manufacturer of the chemicals, as expressed on the labels of the chemicals, and federal and state laws and regulations of which Customer is deemed to be on notice.
2. PERFORMING THE WORK. APS will perform the work in a workman-like manner. APS will exercise reasonable care while performing any work under this contract to try to avoid damaging any part of the structure(s), plants or animals. Under no circumstances or conditions will APS be responsible for damage caused by APS at the time the work is performed except those damages resulting from gross negligence on the part of APS.
3. RENEWAL FEE & INSPECTION. APS will perform a visual inspection of readily accessible areas of the structure(s) annually for a renewal fee as set forth hereinabove. APS will not open walls, remove floor coverings or move furniture. This Contract will renew on an annual basis for up to four (4) years from the initial anniversary date, unless either party gives notice in writing, at least thirty (30) days prior to any anniversary date, of its election not to renew the Contract. APS reserves the right to adjust the renewal fee after the 1st anniversary date of this Contract. Customer may terminate this Contract, notwithstanding the thirty (30) day notice requirement, upon receipt of APS notice of increase in fees. However, if Customer does not cancel this Contract by the required time period by written notice, then this Contract will automatically renew for an additional one (1) year period and Customer shall be responsible for paying the renewal fee as set forth. At the end of the 5th year, this Contract shall terminate unless a defined post construction treatment is performed. At that time, a year to year contract may be negotiated.
4. CONDITIONS CONDUCTIVE TO INFESTATION. Customer will fully cooperate with APS during the term of this Contract, and will maintain the area(s) treated free from any factors contributing to infestation, such as wood, trash, lumber, direct wood-soil contact, cellulose debris, or standing water under pier type structure. Customer will notify APS of and eliminate faulty plumbing, leaks, and dampness from drains, condensation or leaks from the roof or otherwise into, onto, or under the area(s) treated. APS may terminate this Contract if Customer fails to correct any condition, including, but not limited to the conditions listed above, which contribute or may contribute to infestation, and APS will be released from any further obligation under the Contract upon notice of termination to Customer. Customer agrees that APS will not be held responsible for any damage caused to the structure(s) treated as a result of any said conditions. Customer must report any signs and/or evidence of termites or damage within fourteen (14) days of discovery of said infestation and/or damage. Failure of APS to notify customer of the above conditions does not relieve Customer of responsibility under this paragraph, or waive APS's right to terminate this Contract. APS IS NOT RESPONSIBLE FOR NOTIFYING CUSTOMER OF CONDUCTIVE CONDITIONS.
5. ADDITIONS OR ALTERATIONS. This Contract covers only the structure(s) identified herein. Prior to the structure(s) being modified, altered or otherwise changed, or removal or addition of soil around the foundation, Customer will notify APS in writing. Such additions may result in the need for additional treatment of the premises. APS reserves the right to terminate this Contract if Customer fails to notify APS of any modification, alteration or change to any structure(s) or soil around the foundation of any structure(s). Additional services because of any addition or alteration will be provided by APS at the Customer's expense, and may require an adjustment in the annual renewal fee at the option of APS.

regulation be changed regarding APS services or treatment, APS may take whatever steps are necessary to comply with said laws.
7. NON-PAYMENT. Customer will pay APS's invoices upon receipt. APS may terminate this Contract if payment is not received within thirty (30) days of the date of invoice. In the event legal action is necessary to collect any amount due APS, APS shall be entitled to recover from Customer all reasonable costs of collection, including reasonable attorney's fees and expenses, in addition to any outstanding amount due APS. In addition, interest at the rate of 1.5% per month, being 18% annually or the highest rate allowed by applicable law will be assessed on any past due amounts owed by Customer until paid. This Contract and any extension of its term will be effective only upon payment of the charges as provided herein.
8. EXISTING DAMAGE. APS is not responsible for the repair of either visible termite damage (noted on the attached diagram) or of hidden damage existing as of the date of the Contract. The diagram covers only those areas that were visible, accessible and unobstructed at the time of inspection and does not cover areas such as, but not limited to, areas enclosed or inaccessible, concealed by wall coverings, floor coverings, ceilings, furniture, equipment, appliances or stored articles, or any area in which inspection would necessitate removing or defacing any part of the structure. Because damage may be present in areas which are inaccessible to a visual inspection, APS does not guarantee that the damage disclosed on the diagram represents all of the existing damage as of the date of this Contract. The diagram is not drawn to scale.
9. DAMAGE. APS is not responsible for (1) any past or existing termite damage to the structure(s) or its contents at the date of this Contract caused by any wood-destroying organisms or insects, including termites, whether visible or hidden, or (2) any costs or expenses incurred by Customer as a result of such damage, or (3) any damage caused by or related to any of the conditions described in Paragraph 4 above. If at any time during the term of this Contract, Subterranean or Formosan Termites appear and infest the structure(s), APS agrees to repair any and all new termite damage to the treated structure(s) (i.e., damage where live termites are found by a APS representative) at the expense and direction of APS. APS's obligation to perform under this paragraph shall arise only if all the conditions herein are met. APS'S TOTAL REPAIR OBLIGATION IS LIMITED TO \$1,000,000.00. APS WILL NOT REPAIR ANY DAMAGE DISCOVERED AFTER CONTRACT DATE UNLESS LIVE ACTIVE INFESTATION IS FOUND. APS will not repair any existing damage identified on the diagram attached hereto.
10. ENTIRE CONTRACT. This Contract, together with attachment(s), if any, constitutes the entire Contract between the parties. No other representation or statements, whether oral or written, are binding upon the parties.
11. NOTICE OF CLAIMS, ACCESS TO PROPERTY. Any claim under the terms of the Contract must be made immediately in writing to APS. APS is only obligated to perform under this Contract if Customer allows APS access to the identified structure for any purpose contemplated by the Contract, including but not limited to reinspection, whether the inspection was requested or considered necessary by the Customer or required by the Contract and requested or considered necessary by APS.
12. SEVERABILITY. If any part of this Contract is held to be invalid or unenforceable for any reason, the remaining terms and conditions of this Contract will remain in full force and effect.

TERMS AND CONDITIONS CONTINUED ON PAGE 2

By signing this Contract, I, the Customer, certify that I have read and fully understand the provisions on the front and back of this Contract (specifically including the ARBITRATION CLAUSE contained in Paragraph 16 and SPECIFIC EXCLUSIONS contained in Paragraph 17 on the reverse side) with all its terms and conditions without limitation, and it being specifically understood that Alabama Professional Services, Inc. and the undersigned are bound only by the terms and conditions of this Contract and not by any other representations oral or otherwise. Customer may cancel this Contract at any time prior to midnight of the third (3rd) business day after execution of this Contract.

3/14/2013 Sheldon Perhacs
Date Customer
3/14/13 [Signature]
Date APS Representative

Date Customer

13. **DISCLAIMER.** (A) APS's liability under this Contract will terminate if APS is prevented from fulfilling its responsibilities under this Contract by circumstances or causes beyond the control of APS. (B) This Contract only provides treatment for Native Eastern Subterranean Termites (genus *Reticulitermes*) and Formosan Termites (*Coptotermes Formosanus Shiraki*). (C) APS disclaims any liability for special, incidental or consequential damage. **APS MAKES NO GUARANTIES OR WARRANTIES, EXPRESSED OR IMPLIED, EXCEPT THOSE SPECIFICALLY STATED HEREIN. APS EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** The use of the word "will" in connection with an action by APS or Customer expresses a contractual obligation to perform such action and does not constitute a warranty by either party regarding the performance of such action.

14. **TRANSFERABILITY.** This Contract will terminate upon transfer of ownership of the described structure(s). However, APS, at its discretion, may transfer the Contract to a new Purchaser provided the new Purchaser signs a transfer addendum, as purchaser, and signs a graph showing the condition of the structure(s) at transfer, and pays a fee to cover administrative cost of transfer, and pays a renewal fee as established by APS. Upon transfer of this Contract to a new owner at the discretion of APS, this Contract shall thereafter provide for the retreatment of the covered structure only, with no repair warranty being provided.

15. **TERMINATION.** APS's liability under this Contract will terminate and APS will be excused from the performance of any obligations under this Contract should (1) Customer allow another pest control operator and/or company to treat the subject structure(s) during any term hereof, (2) Customer utilize any home remedy products, "do-it-yourself" products, over-the-counter products or any chemicals to eradicate termites that could cause a negative resolution or chemical reaction, or (3) APS be prevented or delayed from fulfilling its responsibilities under the terms of this Contract by reasons or circumstances reasonably beyond APS's control, including, but not limited to, acts of war, whether declared or undeclared, acts of any duly constituted government authority, strikes, acts of God, or refusal of Customer to allow APS access to the structure(s) for the purpose of treatment or carrying out the terms and conditions of this Contract.

16. **BINDING ARBITRATION.** In the event of a dispute between APS and/or its employees and Customer arising out of or relating to this Contract, or to the identified property in any way, whether by virtue of contract, tort, or otherwise, including but not limited to the interpretation of the terms and conditions of this Contract, the making of the Contract, or breach of any provision of this Contract, the parties hereby expressly agree to submit their dispute to binding arbitration for resolution in accordance with the rules and requirements of the American Arbitration Association but are not required to use American Arbitration Association. The parties will agree on an arbitrator, if not, they will use a court appointed arbitrator. The parties expressly agree that the Federal Arbitration Act (FAA), 9 U.S.C.S. 1 et seq., controls any dispute arising out of this action. The parties acknowledge and understand that by agreeing to submit their dispute to binding arbitration they are effectively waiving their right to trial by jury as a means of resolving disputes. Furthermore, the parties acknowledge that they desire to arbitrate any dispute arising from this Contract in an effort to resolve such dispute(s) quickly and avoid the costs of litigation. Judgment upon such arbitration award may be entered in any court

having jurisdiction. Each party shall be responsible for paying any attorney's fees, expert witness' fees and other expenses it incurs on its behalf in connection with the arbitration, plus one half the arbitrator's fee and one half of any expenses incurred by the arbitrator, unless otherwise agreed by the parties or ordered by the arbitrator, and the award shall assess the arbitrator's fee and expenses accordingly. The parties expressly agree and affirm that the subject matter of this contract involves a substantial impact upon interstate commerce, both in this individual transaction and in its aggregate impact.

ME SP
APS Representative Customer's Initials Customer's Initials

17. **SPECIFIC EXCLUSIONS.** The Contract does not cover and APS will not be responsible for:

- 1) Damage resulting from moisture conditions, including but not limited to fungus or mold, whether visible or not;
- 2) Damage resulting from wood in direct contact with the soil, whether visible or not;
- 3) Damage resulting from stucco, synthetic stucco, EIFS and/or rigid foam board and/or expanded foam materials in contact with the soil and/or covering interior or exterior foundation walls in such a way as to provide termites with hidden or protected access to the structure, whether visible or not;
- 4) Damage resulting from masonry failure or grade alteration(s);
- 5) Damage and/or treatment caused by infested wood and/or furniture introduced into the structure after initial treatment;
- 6) Personal expenses such as lodging, meals, transportation, etc. incurred as a result of treatment, re-treatment and/or damage repair.

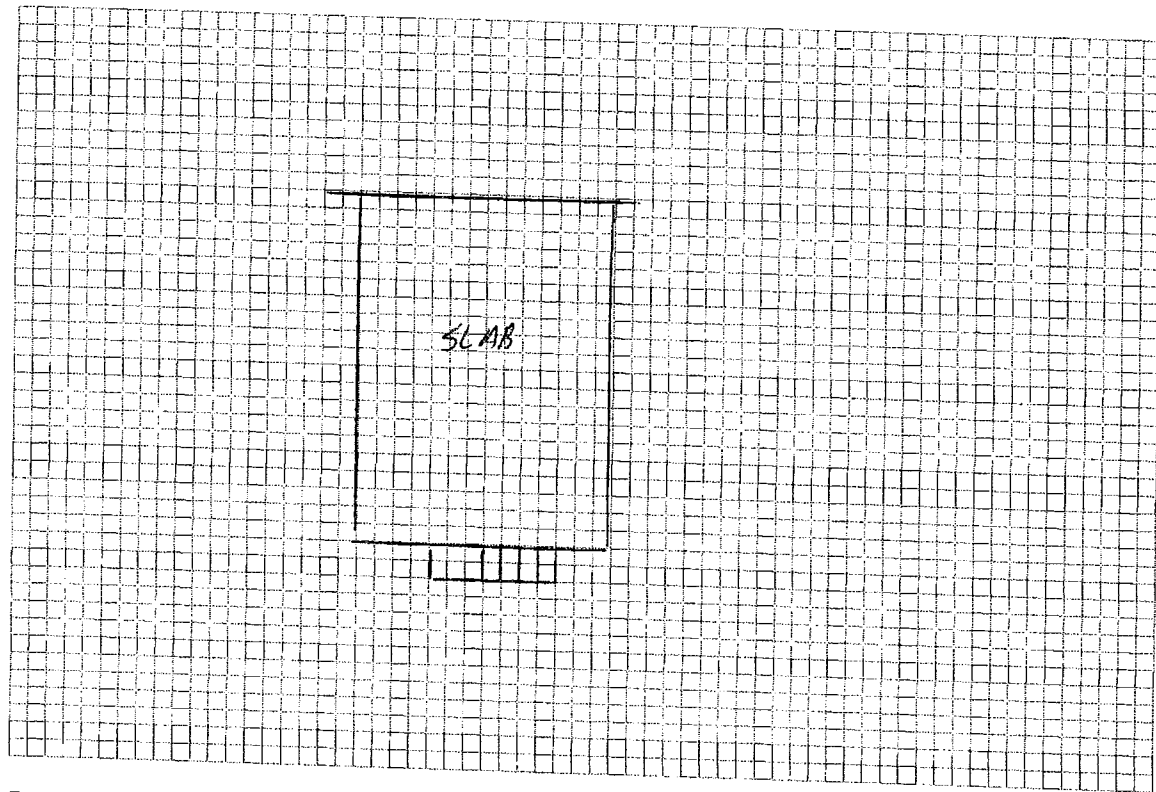
These specific exclusions are in addition to the other exclusions contained in this Contract.

ME SP
APS Representative Customer's Initials Customer's Initials

18. **CHEMICAL SENSITIVITY.** If Customer or other occupants of the structure(s), or adjacent buildings, believe they are or may be sensitive to pesticides/termiticides or their odors, or if Customer or other occupants have consulted with a medical doctor, or other healthcare provider, regarding such sensitivity, Customer must notify APS in writing, in advance of treatment of the structure(s). APS reserves the right, upon receipt of such notification, to deny or terminate service. Failure to provide such notification represents Customer's assumption of risk and waiver of any claims against APS in connection with such sensitivity. Chemicals should not be used near a well or cistern, therefore, it is the responsibility of the Customer to notify APS, in writing, in advance of treatment, if there is a well or cistern in the vicinity.

19. **WAIVER.** This Contract shall include a Waiver of Minimum Requirements for Subterranean Termite Control and will be considered a part of the Contract.

20. **CHOICE OF LAW.** This Contract shall be constructed and enforced in accordance with the laws of the State of Alabama.



Type of Construction: Crawl Basement Slab & Crawl Slab
Type of Slab: Floating Supported Monolithic
Key: Active Subterranean Termites = X Visible Subterranean Termite Damage = D Conductive Conditions = C Inaccessible Area = I

Graph is not drawn to scale