

AMERICAN SOCIETY OF HOME INSPECTORS, INC. (ASHI)

SAMPLE CONTRACTS FOR HOME INSPECTION SERVICE

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INTRODUCTION

Beginning in the 1970s only a handful of inspectors used written, inspection contracts. Many felt that this was unprofessional, unseemly, or unnecessary. This attitude changed as the field of home inspection became more professionalized and anxiety about consumer claims increased.

Now virtually all inspectors use such contracts. This is a normal, realistic practice that is both legally self-protective and informs the consumer about what to reasonably expect and what not to expect. I understand, too, that most if not all of the errors and omissions professional liability carriers require the use of such contracts by their home inspector insureds.

As seen in the attached sample contracts, the approaches are multi-faceted. They are all quite good. No one format is exclusively right or necessarily better. These sample contracts are only for general reference in the development or improvement of new or existing inspection contracts. I have added some of my own comments inserted into the Agreements. My comments are noted in red and in brackets: [] Specific wording suggestions are shown in quotation marks. The contracts are presented in random order. The emphasis in this document is when the inspector is hired to work for a prospective home buyer.

It is essential to understand that the preparation and use of each contract is subject to the law of the state of operation. This includes state licensing and regulation of home inspectors and home inspection where applicable. This also requires an understanding of the case law of a particular state. **Therefore, a local attorney must be consulted by the home inspector using this document to determine what parts of the samples and my own comments are advisable, valid, enforceable, or even legal.** An inspector must also be comfortable with the contract he or she uses and determine how it fits into his or her own business policies and practices. Any use of these contracts and my associated comments are offered at the inspector's own risk. This document is general in nature and not intended to offer or provide legal advice.

Given today's technology, there is virtually no reason not to get a contract signed in advance of every inspection. Contracts for the relocation industry do pose their own challenges. In most (if not all) states, a typed email signature is valid but should be followed up with an original signature as soon as practical.

I am beginning by listing many, but not necessarily all, of the common clauses that should be considered for inclusion in a contract. This will help inspectors see if any important clauses have been omitted in their current contract. A contract should be internally consistent so using clauses out of context should be avoided.

My special thanks to those members of ASHI who have so generously and selflessly offered their contracts for use in this project. They are all first rate inspectors and contributors to the profession. They (and their attorneys) all did excellent work. Those who have offered their contracts are: John Biegalski, Michael Burroughs, JD Grewell, Frank Lesh, Scott Patterson, Kurt Salomon, Bob Sisson (Inspections by Bob LLC), Bill Sutton, and Scott Warga.

COMMON CLAUSES

Important Notice: This document is general in nature. It is not intended and should not be relied upon for legal advice. Always consult with your own local attorney.

1. Title of document

The contract should be prominently identified at the top as an AGREEMENT or CONTRACT for inspection services. This demonstrates the intended importance as a binding and legal agreement. Separate contracts for specialized services such as swimming pools may be similarly titled.

2. Alert the consumer of the importance of the agreement in bold print near the top

For example:

"Please Read Carefully" or "This is a legally binding contract and contains wording limiting our liability."

This again emphasizes to the consumer the importance of the contents of the agreement. It also adds to the inspector's position that the noted limitations of liability and disclaimers were fairly and prominently brought to the attention of the consumer.

3. Identify the names of the parties ordering the service and the property address

Obviously, this is to make clear just which house is being inspected and with whom the inspector is contracting. Detached, uninspected structures located at the same address might be noted as not being inspected if such is the case and/or indicating that detached structures are not included unless specifically ordered and paid for.

The broker may order the inspection but usually it is the prospective house buyer who is the contracting party and obtaining the service. Thought should go into naming both spouses when applicable as contracting parties. Some contracts state that one spouse is automatically signing for both if only one actually signs.

4. Specify the price of the inspection

This is a good opportunity to designate that additional services will cost additional fees. A full list of additional services offered should be identified/included. The intended expectation is that if the designated additional fees are not paid, then the consumer has no right to expect to have these other services performed. A check-mark system identifying the range of services and corresponding fees might be considered.

5. List of what is included in the inspection - scope of services

All of the sample agreements do this quite well. Again, this is a matter of policy for the individual inspector. An itemized, bulleted list seems to be the easiest to understand but takes up a lot of space. Reference to and integration of ASHI's Standards of Practice is excellent practice. I suggest attaching a hand-out of ASHI's SOP with the contract or make it readily available by easy on-line or other reference. A copy of the SOP may also be affixed to the report. A preprinted handout of the SOP is especially important

when the contract is first being shown to the consumer at the inspection site since he or she may have little or no knowledge of the SOP before then. The SOP can be found at ASHI.com. What is important is that if ASHI's SOP is being used for the inspection, the consumer has ready access to those Standards when the contract is signed. Some states require that the inspection agreement be sent to the consumer prior to the inspection and obtaining their signature prior to the start of the inspection. Again, check with your own local attorney regarding specific state requirements.

6. List of what is not included in the inspection

All of the sample agreements do this quite well. A bulleted list seems most effective but is not the only way. Reference to and integration with ASHI's SOP is quite helpful. Each company will have its own policies on this subject. Of course, the list must be as complete as possible. It might also be said that anything not specifically identified for inspection is not included.

7. Nature and criteria of the inspection

The inspection should be noted as visual only. The nature or criteria of the inspection which closely follows ASHI's SOP is one good approach.

For example, only significantly deficient items and systems will be identified. Inclusion of the definition of *significantly deficient* may be desirable.

The general nature of the inspection may be noted and that the consumer may need to consult with specialized experts. Obtaining and paying for these experts is commonly the responsibility of the consumer.

I strongly recommend specifically noting that the inspector is not offering or performing any engineering or architectural services. Professional engineering and architecture require specialized formal education and state licensing. See #9, page 2, bottom of paragraph #5.

8. Limitation of damages

This is heavily dependent on allowable provisions in state licensing of home inspections and what is permissible in case law. There are many options on how this can be attempted.

The sample contracts, for example, attempt to limit liability to:

- (a) The cost of the inspection
- (b) Double the cost of the inspection
- (c) A fixed dollar amount such as up to \$2,000.00
- (d) Fee paid plus \$500.00
- (e) 150% of the inspection fee

In a recent, interesting case, the 2013 South Carolina Supreme Court in a 3-2 decision (Lawyers Weekly No. 010-035-13) upheld a limit of liability to the cost of the inspection fee. With a 3-2 decision, the case could have been decided either way. Case law is mixed on limiting the inspector's liability to the cost of the inspection. I believe this case could (if not already) be decided differently in many other states. One could argue that the higher the limit of liability the better the chance that the clause will be upheld. None of these attempts to put a ceiling on damages are legal sure things. This is another example of the

importance of the inspector consulting with a local attorney for advice.

#3, paragraph 13 uses what is called a liquidated damages clause. This is used in many commercial contracts. In this clause, both parties acknowledge in advance the difficulties of determining the amount of damages if there is a contractual breach. They agree on a specific dollar amount to cover the loss and to avoid the need for a later calculation or contest in the event of a breach of contract.

9. No guarantee or warranty

All of the sample contracts cover this subject well. The inspector may attempt to disclaim a guarantee or warranty for his or her professional opinions but this could be challenged. This is because the hiring of a professional inspector means justifiable consumer reliance that the inspector has certain recognized expertise. This is especially implied where an inspector is state licensed. Determining what is a reasonable level of professional expertise is open to debate. The inspector's public relations materials may come into play.

However, the no guarantee or warranty wording often specifically states that the inspector is not responsible for the performance and operation of the items and systems inspected. Thus, there is an important distinction between a contention that there is no warranty for the professional opinions of the inspector compared to no warranty for the systems and items themselves inspected. Normally, the inspector does not insure or guarantee the items and systems he or she is inspecting. This would be economically prohibitive. But he or she is expected to have a certain level of professional expertise.

Some mention may be made of the availability of third-party insurance for the items and systems in the house if a consumer is looking for this kind of protection. This also reinforces the notion that the inspector is not guaranteeing that for which insurance is available and can be purchased.

10. Specific inspection disclaimers and exclusions

In #4, paragraphs and clauses listing what is not covered for inspection was noted. Again, ASHI's SOP should be consulted.

There are some subjects which, in my opinion, should receive extra attention. They are potentially high liability areas and areas which may require additional inspection expertise - depending on the inspector. Specific mention or a separate paragraph of these items should be considered. These include, for example, but are by no means limited to the following:

- (a) Mold and related problems
- (b) Structural integrity that is based on a professional engineering analysis
- (c) Radon Gas
- (d) Termites/wood destroying insects and organisms
- (e) Swimming pools and spas

#9, page 2, paragraph #2 has a nice list. There are many other significant inspection exclusions that may be singled out depending on the policy of the individual inspector.

11. Disclaimer and limit of liability

All of the sample agreements have detailed and well written general liability disclaimers and limitations.

This disclaimer should be in all caps and/or in bold print.

12. Reference to state statute(s)

There are advantages (and perhaps requirements) to conform the contract with or to make reference to the state statute licensing or regulating the home inspector and home inspections. Of course, the inspector must be well versed in and comply with any statutory requirements that need to go into the contract or is provided through other documents. For example, there may be certain information that the consumer must be told in either the contract or elsewhere.

See #8, page 2, 1st paragraph.

13. Specification of the Statute of Limitations to file suit

This is highly dependent on what is permissible in state law especially if a licensing statute addresses the subject. Each state has its own statute of limitations provisions. Case law in a state also addresses this area by interpreting the statutes. The statute of limitations establishes through law the deadline by when a lawsuit must be filed or else the filing is too late. Subject to the cautions noted above, an effort to change the statute of limitations may often be attempted in the contract.

A specification of one year to file suit from the date of the inspection may be an effective provision. I recommend that this clause be considered unless contrary to the applicable licensing or other local legal mandates. A period that is too short (ex. 30 days) I believe would be quickly rejected by a court. A consumer may counter argue that the year to file suit (if that is the case) should run from the date of discovery of the problem. Some of the samples attempt to anticipate and refute this type of calculation. Incidentally, using the date of discovery of a health problem is common in calculating a medical malpractice suit limitation period.

14. Cost of repair estimates

Many consumers seek this information. Cautious language should be included so the inspector is not put at risk of undue consumer reliance by a mistaken estimate (either too high or too low). This is often not the inspector's area of expertise. See #1, page 2, paragraph 12.

15. Authorization as to who gets a copy of the report

This should be explicit. Be sure to mention that the Inspection and Report are for the sole and exclusive use and possession of the named consumer; and, that others should not rely upon the report including future purchasers. It could be noted that the report is time sensitive. For example, if a deal falls through the broker or seller should not give the report to the next house buyer. Under ASHI's Code of Ethics, the report is confidential. The consumer should give his or her express consent before the report can be given by the inspector to brokers or others. Some of the reports are tailor made as to who is to obtain a copy. Others use boiler plate for this purpose.

16. Try to refute that this is a contract of adhesion

The common legal argument by the consumer is that he/she was pressured into signing the agreement and under the circumstances had no real opportunity to change or negotiate the terms. Therefore, the argument goes, the contract is overly one-sided, not valid and against public policy. In Agreement #1, bottom of the page, an attempt was made in advance to negate this contention.

In addition to the language at the bottom of #1, an excellent approach is to email the contract to the consumer in advance of the inspection. In this way he/she can't say they were pressured into signing and had no time to either negotiate or obtain another inspector. It is also a good time to remind the consumer about when your fee is due.

17. No remedial action until the inspector is called

Some of the samples request or require that the inspector be given the opportunity to see an area of a claim before a repair or other remedy is undertaken. The exception would be that which needs to be quickly repaired to prevent further damage. Although it could be requested that claims be reported in writing, a prudent inspector will promptly respond to verbal complaints as well.

This is a worthwhile provision. However, I doubt that in most cases a failure to allow for an immediate follow-up inspection will fully negate inspector liability. But it does help the inspector see the area of complaint before it is fixed. It also opens to question whether the consumer acted in good faith if the area is not promptly shown to the inspector.

18. Walk-through inspection

Some contracts recommend that the consumer himself/herself perform a walk-through inspection the day before or the day of taking title. Areas and systems for inspection may be identified. It is, of course, a prudent practice for a home buyer. Some companies offer a separate form for a walk-through for use by the consumer.

The consumer could be questioned about what he or she saw on the walk-through in the event of a claim. They can also be questioned on why they didn't perform a walk-through. See second page of #2, near the top.

19. Report not to be used to determine value of the property

A common and useful clause is that the inspection is not to be used to determine the value of the property, nor offer advice on whether or not to purchase it.

See #5, page 2, 5th paragraph down from the top.

20. Lack of signing of the inspection contract

Some contracts try to make the contract binding even if it does not get signed for some reason. For example, a statement is made that the inspection contract is automatically accepted when the report is prepared and received by the consumer.

As mentioned in the introduction, in my opinion (with certain unusual exceptions), no inspection should be undertaken without a signed contract in advance of beginning work. This makes this clause unnecessary

although having it included can't hurt for when those circumstances arise. See #5, page 3, lone paragraph. See also #9, page 3, paragraph 11.

Any effort to shoe-horn the contract as binding after service has already been rendered is, in my opinion, subject to legal challenge. The actual contract, even if only implied and not in writing, is created by the parties before the inspection is begun. The terms cannot be unilaterally implied or changed by one of the parties. Incidentally, a discussion of the legal requirements to create a contract is beyond the scope of this document.

21. Size of print and length of contract

I was pleasantly surprised to see that nearly all of the sample contracts were only 2 or 3 pages. The exceptions were #5 and #9.

In my opinion, all of the significant terms and conditions can fit into 2 or at most 3 pages. I do have concerns about print that is too small to be comfortably read. None of the pages should be hidden or obscured. I also suggest that a Spanish (or other applicable language) language version be available and considered; in that case both the English and Spanish contract should be signed. Of course this could result in unintended complications such as what to do if the consumer has questions in Spanish, etc.

Many states now have laws which require that consumer contracts be easy to read and understood and these laws should be consulted.

22. Arbitration Clause

Many inspectors include a requirement that claims must be submitted to arbitration instead of through the legal system. This is a two-edged sword since it also makes it easier and often less expensive for the consumer to initiate and proceed with a formal complaint. There are many pros and cons to using arbitration that are beyond the scope of this document. Opinions differ.

Some courts may not honor an arbitration clause in a consumer contract as a matter of public policy or for other legal reasons. However, such clauses have become very common in all sorts of contracts today and are often getting upheld. Arbitration clauses may attempt to designate the use of certain panelists to serve as arbitrators such as a five year member of ASHI. This may or may not be enforceable. The use and rules of the American Arbitration Association (AAA) are often mentioned as a reputable organization.

See #1 page 2, paragraph 7.

23. Report is non-transferable

As mentioned previously, it is a good idea to note that the report is not to be used or relied upon by parties who did not purchase the inspection. This should also be noted on the report itself. (This is no guarantee that a third party may not attempt a claim anyway.)

The legal concept of third-party beneficiary (i.e., other parties can rely upon and receive the benefit of the contract between the inspector and consumer) may possibly be negated. As a deterrent, some contracts go so far as to contend that if a third-party brings a claim or suit against the inspector, then the consumer must legally defend the inspector and pay on the claim if successful.

See second page of #6 - 4th paragraph from the top.

See #9, first page, paragraph #3.

See #1, page two, paragraph #6.

24. Attending the Inspection

A useful and common clause in the contract notes the importance of the consumer attending the inspection in order to receive its full benefit.

25. Severability

A common clause in nearly all types of contracts is that if one of the provisions is found invalid or unenforceable, that does not negate the enforceability or validity of the rest of the contract. See #9, fourth page, paragraph 12.

Similarly, another common clause found in many contracts is to state that the written contract is the entire contract; no attempted oral changes at any time may alter the terms. Changes must be made in writing and signed by both parties.

See #9, page 4, paragraph #13.

See #2, first page, near the top.

26. Collection Clauses

Another common clause in all types of contracts is a provision allowing for collection of attorney fees and costs for the service providers when and if suit is brought by the provider of services for unpaid charges.

27. Consumer disclosure requirements

Another common and useful clause provides that the inspection and report does not substitute for the seller's own obligation to disclose information to the prospective buyer. Most if not all states require by statute and/or case law the seller to disclose to the buyer certain information about the property in writing, especially known defects. The inspector usually (but not always) works for the buyer and does not want to involve himself or herself with the legal obligations of the seller.

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #1

INSPECTION AGREEMENT -

Inspection Company: _____
Client: _____
Subject Property: _____

PLEASE READ BOTH PAGES CAREFULLY

This is an agreement between the Client ("CUSTOMER") and the Inspection Company ("COMPANY") identified above to provide the following inspection services at the Subject Property.

ONLY THOSE SERVICES Invoiced and PAID FOR WILL BE PROVIDED

Services Requested:

<u>Service</u>	<u>Price</u>	<u>Amount</u>	<u>Sub-Total</u>
General Home Inspection Base Fee			
Heated Sq. Ft. 1,501 2,000			
Over 50 Years Old			
Radon test			
WDI Termite Inspection			
Inspection Discount			

Total Fee

Payment Method: Credit Card Payment Status: Invoice Sent

Credit Card# _____ Exp Date _____ Billing Zip Code _____

INSPECTION REPORT WILL NOT BE ISSUED UNTIL THIS AGREEMENT IS SIGNED & PAID IN FULL

INSPECTION REPORT DISTRIBUTION: The CUSTOMER controls the distribution of all inspection reports and authorizes the COMPANY to release up to two fax or Email copies of the report to the following persons or locations.

Company is not responsible for the use or reliance of this inspection report by others. The Report is non-transferrable.

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ALL RIGHTS RESERVED

Authorized Fax/Email #1: _____ #2: location _____

Printed copies, faxes, & FedEx services are available at \$10/copy and \$25 per FedEx Delivery which must be prepaid before release.

I/WE HAVE READ AND AGREE TO THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS FOUND ON BOTH SIDES OF THIS INSPECTION AGREEMENT INCLUDING WITHOUT LIMITATION, THE LIMITATION OF LIABILITY, ONE YEAR TIME PERIOD TO INITIATE A LEGAL ACTION AND INDEMNIFICATION SET FORTH ABOVE. I UNDERSTAND THAT I HAVE THE RIGHT TO HAVE AN ATTORNEY REVIEW THIS INSPECTION AGREEMENT BEFORE I SIGN IT. The inspection and issuance of the report will be rescheduled accordingly. I FURTHER UNDERSTAND THAT IF I DO NOT AGREE TO THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS OF THIS INSPECTION AGREEMENT, I MAY CANCEL THIS INSPECTION AND HIRE ANOTHER COMPANY. NO REPORT WILL BE ISSUED WITHOUT A FULLY EXECUTED AGREEMENT.

CUSTOMER'S Signature [also print]

CUSTOMER'S Signature [alsoprint]

Date

LIMITATIONS AND EXCLUSIONS OF THE INSPECTION AND THIS AGREEMENT FOLLOW ON THE NEXT TWO PAGES.

CUSTOMER and COMPANY agree to the following limitations and exclusions:

1. COMPANY will perform a visual non-invasive, non-destructive, non-engineering inspection only of the readily accessible areas and conditions of the subject property existing at the time of the inspection and provide CUSTOMER with a written inspection report (the "Inspection Report") identifying MATERIAL DEFECTS. The inspections performed by the Company are based on the opinions of the inspector. MATERIAL DEFECT is defined as follows: A problem with a residential real property or any portion of it that would have a significant adverse impact on the value of the property or that involves unreasonable risk to people on the property. The fact that a structural or mechanical element, system or subsystem is near, at or beyond the end of its normal useful life is not by itself a MATERIAL DEFECT.
 2. CUSTOMER understands and agrees that the COMPANY shall be guided by the Standards of Practice of the American Society of Home Inspectors (the "ASHI STANDARDS") in performing the Home Inspection and preparing the Inspection Report. A copy of the ASHI STANDARDS are attached and incorporated herein by reference. CUSTOMER understands and agrees that the inspections performed by the Company may reduce the risks associated with purchasing a home but cannot eliminate those risks. The condition of the subject property may change or the equipment inspected and reported on may be altered or changed. Therefore, the Customer shall carefully re-inspect the subject property and all equipment prior to closing.
 3. CUSTOMER UNDERSTANDS AND AGREES THAT THE FOLLOWING ARE SPECIFICALLY EXCLUDED FROM THE INSPECTION AGREEMENT AND THE INSPECTION REPORT UNLESS CHECKED ABOVE AND PAID FOR BY CUSTOMER: structures detached from the Subject Property (excluding the primary detached garage or carport), presence or absence of rodents, termites and other wood destroying insects, and other insects or damage caused by them, mold and/or mildew, indoor or outdoor air quality, radon gas, lead paint, underground tanks and wells, septic and other sewage disposal systems, pet urine and/or other wastes, asbestos, formaldehyde, and other pollutants and toxic chemicals, water quality and adequacy, swimming pools, smoke alarms and/or other alarm equipment, central vacuum systems, tennis courts, playground equipment, and solar heating or cooling systems, and any recall notices or warnings on any structural or operational component or appliance. INSPECTION OF THE FOREGOING ITEMS AND SUBSTANCES SHOULD BE PERFORMED, DETECTED AND EVALUATED BY OTHER SPECIALISTS OF CUSTOMER'S CHOICE AND HIRE.
 4. CUSTOMER understands and agrees that the COMPANY cannot and does not probe, pry, poke or otherwise invade any physical structure. COMPANY cannot and does not look behind drywall, paneling, wall papering, under carpeting or other floor covering, above drop ceilings, or other areas which may be blocked or impeded by furniture, personal items or other structures. Inaccessible, non-visible, difficult to reach, latent or concealed defects or problems are excluded from the Inspection Agreement and the Inspection Report. While it is rare, some homeowners purposefully conceal damage or defects in the Subject Property. This type of concealment is particularly difficult to detect in a visible inspection and therefore is excluded by this Inspection Agreement and the Inspection Report.
 5. CUSTOMER AGREES AND UNDERSTANDS THAT IF COMPANY OR ANY OF ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, OFFICERS OR SHAREHOLDERS (COLLECTIVELY CALLED COMPANY) ARE FOUND LIABLE FOR ANY LOSS OR DAMAGE DUE TO NEGLIGENCE OR THE FAILURE TO PERFORM ITS OBLIGATIONS IN THIS AGREEMENT, INCLUDING THE IMPROPER OR NEGLIGENT PERFORMANCE OF THE INSPECTION OR THE IMPROPER OR NEGLIGENT REPORTING OF CONDITIONS OF THE SUBJECT PROPERTY, COMPANY'S MAXIMUM LIABILITY SHALL BE LIMITED TO TWICE (TWO TIMES) THE FEE PAID TO COMPANY FOR THAT PART OF THE INSPECTION, AND THIS LIABILITY SHALL BE EXCLUSIVE. THIS LIMITATION OF LIABILITY SPECIFICALLY COVERS LIABILITY FOR: DAMAGED PROPERTY, LOSS OF USE OF THE PROPERTY, LOST PROFITS, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES AND GOVERNMENTAL FINES AND CHARGES, PUNITIVE DAMAGES AND ATTORNEYS FEES AND COURT COSTS IF REQUESTED BY CUSTOMER, COMPANY WILL ASSUME A GREATER LIABILITY, BUT ONLY FOR AN ADDITIONAL FEE TO BE AGREED UPON AND PAID FOR BY THE CUSTOMER. IF AGREED A RIDER WILL BE ATTACHED TO THIS AGREEMENT.
- COMPANY'S INSPECTION AND THE INSPECTION REPORT ARE IN NO WAY TO BE CONSIDERED AS A GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE PRESENT OR FUTURE CONDITION OF THE SUBJECT PROPERTY. ANY AND ALL WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY EXCLUDED BY THIS AGREEMENT. CUSTOMER ACKNOWLEDGES THAT CONDITIONS OF THE SUBJECT PROPERTY ON THE DATE OF THE INSPECTION MAY CHANGE AND REQUIRE SUBSEQUENT REPAIR OR REPLACEMENT.
6. THIS INSPECTION AGREEMENT AND THE INSPECTION REPORT AT INTENDED ONLY FOR THE CUSTOMER'S BENEFIT. THEREFORE, THE CUSTOMER AGREES TO PROTECT, INDEMNIFY, DEFEND AND RELEASE THE COMPANY AND ITS EMPLOYEES, AGENTS AND SUBCONTRACTORS FROM LIABILITY AGAINST ALL THIRD PARTY CLAIMS OR LOSSES (INCLUDING COSTS AND REASONABLE ATTORNEY'S FEES) BROUGHT AGAINST COMPANY WHICH RELATE TO THIS INSPECTION AGREEMENT, THE INSPECTION OR THE INSPECTION REPORT. THIS INDEMNIFICATION COVERS WITHOUT LIMITATION; CLAIMS BROUGHT BY ANY PERSON OR ENTITY NOT A PARTY TO THIS INSPECTION AGREEMENT, CLAIMS BROUGHT BY CUSTOMER'S INSURANCE COMPANY OR CLAIMS BROUGHT BY REAL ESTATE AGENTS OR BROKERS, CLAIMS BROUGHT BY THE SELLERS OF THE SUBJECT PROPERTY, INCLUDING CROSS CLAIMS FOR CONTRIBUTION AND INDEMNIFICATION. IT ALSO INCLUDES CLAIMS ARISING UNDER CONTRACT, WARRANTY, NEGLIGENCE.
 7. Any controversy or claim arising out of or relating to this Inspection Agreement, the inspection or the Inspection Report shall be submitted to final and binding arbitration under the American Arbitration Association, and judgment on the award rendered by the arbitration panel may be entered in any court having jurisdiction hereof. If possible, all arbitrators shall have knowledge of the home inspection industry and, if possible at least one member of the arbitration panel shall be a certified active member in good standing of the American Society of Home Inspectors with at least five years of inspection experience in the home inspection industry.
 8. THE CUSTOMER MUST INITIATE ANY LAWSUIT AGAINST COMPANY WITHIN 1 (ONE) YEAR AFTER THE DATE THE INSPECTION REPORT IS DELIVERED, FAXED OR EMAILED TO THE CUSTOMER OR CUSTOMERS AGENT. IF THE CUSTOMER DOES NOT, THE CUSTOMER HAS NO RIGHT TO INITIATE LEGAL ACTION AGAINST THE COMPANY AND COMPANY HAS NO LIABILITY TO CUSTOMER. IT IS CRITICAL THAT CUSTOMER BRING ANY LAWSUIT IN A TIMELY MANNER. TIME IS OF THE ESSENCE. CUSTOMER GUARANTEES COMPANY THE RIGHT TO EXAMINE THE SUBJECT MATTER AND AREA OF ANY CLAIM PRIOR TO ANY REMEDIAL MEASURES OR REPAIRS. If CUSTOMER repairs or replaces the subject matter of any claim before providing the Company with an opportunity to inspect it, then CUSTOMER waives any and all claims or causes of action whatsoever against the Company.
 9. If CUSTOMER fails to pay COMPANY (or if the payment is uncollectable) for the inspection and the Inspection Report, the CUSTOMER agrees to pay COMPANY'S reasonable collection costs, including court costs, and reasonable attorney fees. In addition, CUSTOMER agrees to pay a \$75.00 fee for each returned check and further agrees to pay a finance charge of 1½% per month on any overdue balance.
 10. This agreement represents the entire agreement between the COMPANY and CUSTOMER. No change or modification shall be enforceable against either party unless such change or modification is in writing and signed by both parties. This Inspection Agreement inures to the benefit of, and is enforceable by COMPANY'S subcontractors, employees, agents, successors, affiliated entities, and assigns. If any provision of this Inspection Agreement is found to be invalid or unenforceable, such a finding shall not effect any other part of this Inspection Agreement. This Inspection Agreement shall be governed by the State where the inspection is performed.
 11. The person signing this Agreement warrants and represents to COMPANY that he/she/it is expressly authorized to sign this Inspection Agreement by the other spouse, or by the persons or entity purchasing the Subject Property, if applicable. They also agree to be responsible for payment and or collection costs should the Buyer, Seller or requesting entity refuse, cancel or stop payment.
 12. If the Inspection Report provides any repair estimates, then Customer understands and agrees that those estimates should not be considered as a bid to perform repairs. Customer further agrees to release and hold Company Harmless against any estimates which may understate or overstate the actual cost of the repairs even if due to the negligence of the Company.

[Name of Company] INSPECTION AGREEMENT

THIS AGREEMENT LIMITS OUR LIABILITY -- PLEASE READ IT CAREFULLY

Client: _____ **Inspection Date:** _____ **Number:** _____

Property Address _____

This Inspection Agreement is entered into between the Client and **[Name of Company]**, a **Insert your state** corporation (the Company) including its inspectors.

Scope - Inspection of Residence: In consideration of the terms and conditions set forth below, the Company agrees to perform a visual inspection (the Inspection) of the property listed above (the Residence), and to prepare and provide to the Client an Inspection Report (the Report). The Inspection will be in accordance with the Standards of Practice of the American Society of Home Inspectors® (ASHI®). A copy of the ASHI Standards of Practice is available to the Client at *ashi.com*. This is not a building code inspection. The Inspection will consist of visual observation of readily and safely accessible areas of the Residence. As specified in the ASHI Standards for multiple occurring items such as outlets, windows, and doors - only a representative number will be inspected/tested. The Inspection is limited only to visual observation of apparent conditions existing at the time of the Inspection. Except as provided in the Disclosure Section on page 2, a copy of the Report will also be sent to the Client's real estate agent, if any. The copyright of the Report shall remain with the Company.

Inspection Components: The Inspection is strictly limited only to the following components of the Residence: Structure, Foundation, Exterior, Roof, Attic, Major Systems (heating, air conditioning, electric, plumbing), Built-in Appliances¹, Interior (floors, ceilings, walls, windows, doors). ¹ Beyond the scope of the ASHI Standard of Practice.

Entire Agreement & Severability: This Agreement contains the entire agreement between the Client and the Company. This document supersedes any and all representations, both oral and written, among the parties. This Agreement may be modified, altered or amended only in writing and signed by both the parties. Any provision of this Agreement which proves to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Agreement and all such other provisions shall remain in full force and effect.

No Warranty or Guarantee: The Inspection and the Report are not intended; nor shall they be used or treated by the Client or anyone else, as a guarantee or warranty expressed or implied, regarding the adequacy, performance or condition of any aspect of the Residence. The Client acknowledges and agrees that the Company is not an insurer of any inspected or non-inspected conditions at the Residence. The Client acknowledges that the Company has explained that home warranty plans are available which offer valuable protection against certain unforeseen repair expenses.

Latent and Future Defects: The Inspection is not a technically exhaustive investigation or evaluation of every aspect of the Residence. The Client acknowledges and agrees that the Inspection and the Report will not reveal every existing deficiency and future condition affecting the Residence. The Company is not responsible for the non-discovery of any latent defects in the Residence, or any problems that may occur or become evident after the date of the Inspection. Latent defects in the Residence include, but are not limited, to: cracking, leaking, surface dislocations, or landslides resulting from, without limitation, water leaks, land subsistence, or other geological problems. The Company is not responsible for future defects, failures and repairs. The Company shall have a reasonable opportunity, weather permitting, to access the Residence to evaluate the situation prior to any corrective action being taken by the CLIENT. However, immediate "first aid" should be undertaken by the CLIENT as needed.

Fee: \$ _____. This Fee is for the Inspection and Report, and payable at the time of the inspection. If payment received more than 14 days after the date of inspection, there will be a late payment penalty in the amount of \$50.00, and will accrue interest at the rate 1.5% monthly (18% per annum) from the date of delinquency until paid. The Client also agrees to pay all attorney fees and associated costs for the Company to collect the amount due. Remedy for non-payment shall be adjudicated in small claims court.

Limits of Liability: The CLIENT agrees that the limit of liability is \$2,000, and is unrelated to the costs of repairing or correcting any defects in the Residence. The Company assumes no liability for the cost of repairing or replacing any reported or unreported defect or deficiency in the Residence, either current or arising in the future, or for any property damage, consequential damage, or bodily injury of any nature. The Inspection and Report are conducted and prepared for the sole, confidential and exclusive use of the Client. Consequential and third party damages are excluded; and the client indemnifies the company from all such claims.

Even though the report may have been a material factor in the client's decision to purchase the residence, the client agrees that should the company be found liable for any loss or damages resulting from a failure to

perform any of the company's obligations, including but not limited to negligence, breach of contract, or any other legal theory or cause of action, the liability of the company shall be limited solely to \$2,000.

Complaint Regarding Inspection - Limitation of Actions: All claims and legal action regarding or arising from the property condition and this inspection and report must be filed and initiated by Client no later than one (1) year following the date of the Report. A failure to do so will result in a loss of legal rights.

Arbitration Clause: Any controversy or claim arising out of, or relating to this Agreement, or breach thereof, either directly or indirectly shall be settled by binding arbitration administered by the American Arbitration Association in the state of _____, using its Commercial Arbitration Rules. The arbitrator shall have at least three (3) years of actual knowledge of the home inspection industry. Any decision and judgment award rendered may be entered in any court having jurisdiction hereto. Each party agrees to pay its own costs of arbitration. (This excludes payment of the company's fees.)

EXCLUSIONS FROM THE INSPECTION: The following items, components and issues are specifically not included in the Inspection: product recalls by the CPSC or manufacturers or others; the presence or absence of termites, dry rot, fungus, mold or other wood destroying pests; the interior condition of chimney flues; all concealed or underground items, including without limitation, plumbing and electrical components, septic systems or cesspools, well and its water quality; water softeners and purification systems; swimming pool/spa and systems; automatic sprinkler systems; any system that is shut down; lighting of pilot lights; alarm, intercom, and low voltage systems, including without limitation, yard fixtures, timers, de-icing systems, and solar systems; storm windows, screens, and doors; shutters, awnings and related accessories; broken windowpanes & "THERMO-PANES"; all portable/moveable appliances including, without limitation, the refrigerator/freezer,; the temperature calibration, self-cleaning feature, and timer operation of the stove/oven; the heat exchanger; radiant heating system; compliance with past or present state and local building code requirements; evaluation or analysis of soil conditions and geological stability; evaluation of engineering and architectural issues; compliance with any federal, state, or local environmental laws, rules, and ordinances; the existence of any hazardous wastes and toxic substances on, in, or around the Residence including, without limitation, asbestos, radon gas, lead and lead-based paint, mold, or methamphetamine.

WALK-THROUGH INSPECTION BY CLIENT: The Client is advised that conditions at the Residence may change between the date of the Inspection and the date on which the Client closes on the purchase of the Residence. Consequently, the Client is advised and encouraged to personally conduct, or to arrange for an independent third party to conduct a pre-closing "Walk-Through Inspection" of the Residence. This pre-closing Walk-Through Inspection should include, but not be limited to, the heating/cooling systems and the landscape sprinkler system - weather permitting.

ADDITIONAL TERMS:

ADDITIONAL CONTRACT SERVICES:

There are additional services offered and specified below based upon generally accepted industry standards. If there is an addendum and there is a conflict in the terms, the addendum terms shall apply. Please initial the additional services desired:

Only if checked below and upon payment of additional fees

_____ **Radon** _____ **Termite**

RADON TEST

The Environmental Protection Agency (EPA) recommends every house be tested for elevated levels of radon gas, a known cause of lung cancer.

Purpose. The short-term test is to indicate the potential for radon levels in the Residence. The results of this measurement are to assist the Client in making a determination if additional testing or corrective action is necessary. The Client should refer to the current edition of the Environmental Protection Agency (EPA) publication Home Buyer's and Seller's Guide to Radon and Citizen's Guide to Radon for additional information and to assist you in interpreting the test results.

Test Conditions and Results. The test conditions are not within the control of the Company. The test device should be placed in the Residence consistent with current EPA protocol. The Company will inform the homeowner or person in charge of the Residence of the conditions required protocol. Any tampering with the test conditions or test device, prior to or during the test, will neutralize the effectiveness of the test. Radon levels may change over time as the result of varying weather conditions and the use of heating and ventilating systems. Radon levels can be elevated greatly

during and following severe weather or with high wind conditions. The results are only an indication of the average level during the test period. This test is not a warranty of future tests or radon levels. The EPA encourages performing a long-term test to determine the average long-term levels.

TERMITE INSPECTION

The Termite inspection, if requested, is per _____ [Name of Pest Control Company] _____, copy available upon request.

DISCLOSURE: The Client

[] **DOES NOT** authorize the distribution of the Report to the real estate agents directly involved with any real estate transaction for the Residence associated with the Client.

THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION. IT MAY BE ENFORCED BY THE PARTIES.

AGREED TO:

Client Name Signature

Date

[Name of Company]
Address, City, State, ZIP
Phone

[NAME OF INSPECTION COMPANY]

THIS IS A LEGALLY BINDING CONTRACT - PLEASE READ IT CAREFULLY

Address: _____

Report Number: _____

VISUAL INSPECTION DEFINITIONS AND LIMITATIONS:

1. The Client understands and agrees that this Agreement is a part of the Inspection Report and acceptance of or payment for the Inspection Report by the Client will confirm this agreement, even if Client was not present at the inspection and/or has not signed this agreement.
2. The Client understands that the report and any information therein is intended for the sole and exclusive use of the Named Client in this contract and shall not be used in lieu of any required Transfer Disclosure Statements and shall not be disclosed to any person or persons other than the principals associated with this single transaction. The Client understands that the inspections is not a warranty, guarantee, insurance policy, or substitute for real estate transfer disclosures which may be required by law.
3. Nothing in the report, and no opinion of the Inspector, should be construed as advice to the Client to purchase, or not to purchase, the property. The purpose of the inspection is to identify and disclose to the client any major deficiencies and defects of the systems and components.
4. The Visual Inspection Service is performed in accordance with the Standards of Practice as published by _____
Name of State) _____ State Board of Home Inspectors (SBHI) and the American Society of Home Inspectors (ASHI). According to these standards, this inspection is intended to provide the Client with information regarding the condition of the systems and components of the home as inspected at the time of the home inspection. The specific systems and components of a building to be inspected are listed in these Standards of Practice. A copy of the SBHI standards is supplied to client with the inspection report and contract.
5. Any area which is not exposed to view, is concealed, or is inaccessible because of soil, walls or wall coverings, floors or floor coverings, ceilings, furnishings or any other reason or thing, is NOT included in this inspection. Client agrees to assume and release the inspector of all the risk for all conditions which are concealed from view at the time of the inspection.
6. The following are NOT included in the inspection:
 - Recalls or Callbacks of any kind and from any source.
 - Latent or concealed defects
 - Environmental hazards or conditions, including, but not limited to, toxic, reactive, combustible, or corrosive contaminants, wildfire, odors, noise, flood potential, electromagnetic fields, underground storage tanks, asbestos, radon gas, lead paint, urea formaldehyde, PCB's, water or air quality, the proximity to toxic waste sites, or other environmental or health hazards
 - Structural, geological, soil or hydrological stability, survey, engineering, analysis or testing
 - Permit research or validation, code, installation or zoning violations
 - The examination of conditions related to animals, rodents, insects, wood destroying insects, organisms, mold and mildew, or the damage caused thereby
 - Radio controlled devices or low-voltage systems or relays
 - Security or intercom systems
 - Elevators, lifts or dumbwaiters
 - Thermostatic, time clock or photoelectric controls
 - Water softener or purifier systems
 - Furnace heat exchangers, solar heating systems and freestanding appliances
 - Window coverings
 - The examination or operation of any sewage disposal system or component including, but not limited to, septic tanks, cesspools, and/or any underground system or portion thereof, or ejector pumps for rain or waste
 - Landscape or farm irrigation systems
 - The condition and/or irrigation of trees, shrubs or vegetation of any kind
 - Any item which is hidden from view or impractical to test
 - Any system or component not listed in the Standards of Practice of the American Society of Home Inspectors as an observation requirement
 - Any system or component, condition, or application noted in the report as not inspected, not determined, or not reported on
7. It is agreed that pool(s) and/or spa(s) will be observed. The following sets forth the limitations of the pool and/or spa observation:
Without disassembly the inspector will observe the enclosure and/or related gates, alarms, the hardscaping and drainage related to the inspected pool or spa, the condition of visible portions of systems, structures, or components, the normally necessary and present equipment such as lights, pumps, heaters, filters, and related mechanical and electrical connections.
The inspector will note any conditions limiting or otherwise inhibiting the inspection.
The inspector is not required to determine structural integrity or leakage of any kind, evaluate thermostat(s) or their calibration, heating elements, chemical dispensers, water chemistry or conditioning devices, low voltage or computer controls, timers, sweeps or cleaners, pool or spa covers and related components.

The inspector does not operate or evaluate filter backwash systems.

Unless expressly agreed upon, the inspector is not required to examine any above-ground, movable, freestanding or otherwise non-permanently installed pool or spa, or self-contained equipment or to come into contact with pool or spa water to examine the system, structure, or components or to determine adequacy of spa jet water force or bubble effect.

8. The Uniform Building Inspection Report utilizes referenced narratives corresponding to items listed on computer generated findings pages. You must read the narratives in the accompanying manual corresponding to each item on the findings pages to have read the entire report. The Client agrees to read the entire report. The Client agrees to immediately contact the Inspection Company for copies of any pages found to be missing from any part of the report.

9. The report, including the use of signifying letter codes, is the professional opinion of the Inspector, based on the accessibility of the certain fixed components surveyed. Without dismantling parts of the building and/or its components, and without full use of all utilities, the Inspector may extrapolate conclusions which cannot be confirmed during the inspection.

10. The Inspection Company does not offer any warranty or insurance for the Client or any other person in connection with the Inspection Report. THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, OF THE INSPECTION SERVICE OR INSPECTION REPORT. This is also no guarantee or warranty, expressed or implied, for the condition or operation of any system or item inspected or not mentioned in this inspection report.

11. The Client agrees to submit to the Inspection Company, in written form, any claims or complaints prior to taking any action thereupon. Any legal action or proceeding of any kind, whether sounding in tort or contract, against the Inspector/Inspection Company or its officers, agents, or employees, must be brought within 90 Days from the date of the inspection or will be deemed waived and forever barred.

12. Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to, this contract or arising out of, from or related to the inspection or inspection report shall be submitted to final and binding arbitration under the Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the Arbitrator appointed thereunder shall be final and binding and judgment of the Award may be entered in any Court of competent jurisdiction.

13. To the extent allowed by law, it is understood and agreed by and between the parties hereto that the Inspector/Inspection Company is not an insurer, that the payment for the subject inspection is based solely on the value of the service provided by the Inspector/Inspection Company in the performance of its limited visual inspection and production of a written inspection report as described herein, that it is impracticable and extremely difficult to fix the actual damages, if any, which may result from a failure to perform such services, and a resulting loss that the Inspector/Inspection Company's and its officers,' agents,' or employees' liability hereunder shall be limited and fixed in an amount up to or equal to one hundred fifty percent (150%) of the inspection fee, as liquidated damages, and not as penalty, and this liability shall be exclusive.

14. Neither the inspector, nor his company, agents, principals or employees shall be liable for any repairs or replacement of any component,, system, structure or the property or the contents therein, either during or after the inspection.

15. Review Recommendations: Customer agrees and understands that, for the purposes of this inspection, the Inspector is acting as a State of _____ Licensed Home Inspector in pursuant to the laws of the State of _____ and not as a professional engineer, plumber, electrician, HVAC Tech, roofer, or other specialized contractor. Any recommendations made by the inspector to the customer to engage the services of any of the above referenced specialized contractors or engineer for the purposes of the subject property, shall relieve the inspector for any liability to the customer for the inspection and report of those components, systems or structure.

16. Attorney Fees: In the event that a customer a suit in any civil court alleging claims arising out of this agreement or the services performed here under. The customer agrees to pay to the inspector all cost, expenses, and attorneys' fees incurred by the inspector, his agents, employees, insurer in defense of such a suit. This section shall not apply the arbitration proceedings unless the selected arbitrator finds that the claim brought by customer is without merit and the customer has been given written notice to the claim's lack of merit prior to the proceedings.

17. The inspector/ inspection company reserves the right to amend, modify or update the inspection report to further explain and /or clarify information and findings in the report for up to 72 hours after the inspection.

18. The inspector has the right to prohibit audio and video recordings of the inspection.

19. The inspector has the right to Stop the inspection at any time for cause. Any fee paid may be prorated for return

20. The client has the right not to accept the contract including any of its terms and terminate the inspection at no cost to the client.

21. Servability: [Client] & inspector agree that if a court of competent jurisdiction determines that a portion of this agreement is void or unenforceable the remaining provisions shall remain in full force and effect.

22. Shall the inspector show up for a scheduled inspection and for any reason beyond his control, the inspector cannot complete the home inspection, a "show up Fee" of one half of the inspection fee shall be billed and payable in addition to the standard inspection fee.

23. This report is for the sole and exclusive use of the client for whom it was exclusively prepared. Neither the inspector nor the inspection company shall have any liability whatsoever to any third party using or relying on its contents. The customer agrees to defend, indemnify and hold the inspector and the inspection company harmless from any claims resulting from another person relying on the report.

The Fee for the Visual Inspection and Report is: \$ _____.

TECHNICAL (IN DEPTH) INSPECTION DEFINITIONS AND LIMITATIONS:

The Technical (in-depth) Inspection Service is available at an additional cost of \$3.50 per square foot of building area plus the Visual Inspection base fees. The Technical Inspection objectives are the same as those of the visual inspection except that the Technical Inspection excludes only those items listed below. The Technical Inspection Service is performed by specialists in certain fields and is concluded when the findings of each contractor/technician have been delivered to, and compiled by, the Inspection Company. Performance of the Technical Inspection Service certifies that all defects, existing at the time of the inspection, and which adversely affect the serviceability of the inspected components and systems, will be identified. Defects existing at the time of the inspection which were not disclosed in the inspection reports will be corrected by the inspection company or its agents at no cost to the client. Toxic soils, water and air quality, environmental and/or health hazards, site stability, the condition of any and all vegetation, and other exclusions listed below are not included in the Technical Inspection.

Additional Exclusions of the Technical Inspection Service: None

I do desire the Technical Inspection Service. (initials) _____

I do not desire the Technical Inspection Service and I understand that this is not a technical or in-depth inspection. (initials) _____

CLIENT: _____ (sign) _____ Date: _____

INSPECTION COMPANY: _____

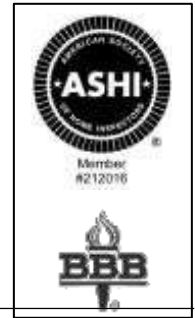
INSPECTOR: _____ (sign) _____ Date: _____

[Name of Company]
[Address of Company]

[Phone Number]

[Web Address]

[Email Address]



Inspection Agreement

**This is a legally binding contract and contains wording limiting our liability.
Please read carefully.**

This agreement is a contract between the **Customer** listed on the back of this form and **[Name of Company]**, to have the [Name of Company] *inspector* inspect the home or building listed on the back of this form and *report* on those *readily accessible systems* and *components* which, in the opinion of the *inspector*, are *significantly deficient* or near the end of their service lives, for payment of the fee(s) listed on the back of this form. The *report* is provided on an opinion only basis and is intended to help provide the customer with a better understanding of the property's current condition.

Scope: The *report* that [Name of Company] shall prepare for the customer shall generally follow the guidelines described in the most current issued ASHI Standards of Practice, and shall include sections titled the following: Contract, Key, Grounds, Exterior, Foundation, Roof, Plumbing, Heating, Heat2/Cool, Electrical, Interior, Interior 2, Garage, Kitchen, Bathroom.

It is agreed and understood that 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 detrimental condition.

It is also understood that the [Name of Company] *inspector* is a generalist, knowledgeable in a variety of areas, but does not hold himself or herself out to be an expert in any field. The *inspector's* report is an unbiased opinion based upon the experience and training of the individual inspector. If the [Name of Company] *inspector* recommends *further evaluation*, the customers must do so at their own expense.

The *report* is not a home warranty, guarantee, insurance policy. [It is also not a substitute for real estate transfer disclosures, which may be required by law.

The customer understands that [Name of Company] is not going to dismantle any system, or move furniture, personal property, debris, carpeting or equipment that may impede access or limit visibility.

Exclusions: The [Name of Company] *inspector* is not required to comment on the conditions of, or the presence of, the following:

- Building codes or 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, any mold or bioorganic growth or any other environmental conditions.
- Underground storage tanks.
- Building value appraisal or cost estimates.
- Exterior insulation and finish systems (EFIS)
- 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.
- Adequacy or efficiency of any *component* or *system*.
- Prediction of the life expectancy of any item.
- Lightning protection systems.
- Roofs not *readily accessible* from a 12-foot ladder.
- Specific *components* noted as excluded on the individual inspections forms.
- Any system, component or location that the *inspector* feels is unsafe to inspect.

Inspection Agreement (cont.)

Confidentiality: This inspection *report* is to be prepared solely and exclusively for the customer's own information and shall not be relied upon by any other persons or entities.

Severability: Should any provision of this agreement be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this agreement shall remain in full force and effect, unimpaired by the court's holding.

Definitions and Assumptions: It is assumed and agreed upon that all italicized terms shall take their meanings and context from "The Standards of Practice and Code of Ethics of the American Society of Home Inspectors" that is provided as part of this *report*. No other meanings or extensions shall be made.

Release and Limitation of Liability: It is understood that _____ is not an insurer and that the inspection and report are not intended or construed as a guarantee or warranty of the adequacy, performance or condition of any structure, item or system at the property address. The CUSTOMER hereby

releases and exempts _____ and its agents and employees of and from all liability and any responsibility for the cost of repairing or replacing any unreported defect or deficiency and for any consequential damage, property damage or personal injury of any nature. In the event that [Name of Company] and/or its agents or employees are found liable due to breach of contract, breach of warranty, negligence, negligent representation, negligent hiring or any other theory of liability, then the liability of [Name of Company] and its agents and employees shall be limited to a sum equal to the fee paid by the CUSTOMER for the inspection and report.

Reduced Time to Bring a Legal Claim: The CUSTOMER understands and agrees that houses and conditions change, age and naturally deteriorate over time and, as such, that the report to be prepared for the customer will have a limited lifetime. Regardless of the applicable statute of limitations and regardless of when the CUSTOMER discovers any defect(s) or problem(s), the CUSTOMER hereby agrees 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.

Customer Name (Printed) _____

Inspection Fee \$ _____

Property Address _____

Other Fees \$ _____

City, State, Zip Code _____

\$ _____

Report # _____

Total Fees \$ _____

Payment Method

Cash Check # _____ MC/Visa/Amex
Card # _____
Exp _____ Sec # _____

CC Billing Address Same as Property Address
Street _____
City, State, Zip Code _____
Phone Number _____

The CUSTOMER hereby acknowledges reading, understanding and accepting this Inspection Agreement (including the Release and Limitation of Liability and Reduced Time to Bring a Legal Claim) by signing this Inspection Agreement before the performance of the inspection. The CUSTOMER also agrees to pay the fees listed above.

Customer: _____ Date _____

For [Name of Company]: _____ Date _____

PAGE 2 OF 2 – AGREEMENT INCLUDES THE FRONT OF THIS PAGE

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #5

This inspection report is submitted in good faith and is a visual description of the property at the time of the inspection. The report does not represent a warranty or guarantee for any of the systems or components of the property nor is the report a warranty or guarantee against hidden, latent or future defects.


Neither the inspection nor the report are intended to verify compliance with any Local, State or Federal building codes, ordinances or regulations. The report conforms to the Standards of Practice of the American Society of Home Inspectors and the (Insert State) Home Inspectors Licensing Act.

The inspection and report do not include any environmental inspections such as asbestos, mold, mildew, urea formaldehyde, toxic or flammable chemicals, etc. unless separately contracted to the inspection. It also does not include inspections of swimming pools, spa, wells, septic systems, central vacuums, security systems, sprinklers or water softeners. This is not a pest (insect or rodent) inspection. Any and all such environmental or pest inspections are entirely beyond the scope of this inspection report unless separately contracted to the inspection.

[Name of Company] will perform the inspection to the best of its ability. However, conditions can change which we cannot predict. If the client does not concur with this agreement, then client has the right to request changes before the inspection.

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #6

	[NAME OF COMPANY] INSPECTION REPORT NO. _____
	[Name of Company]
	[Address of Company]

AGREEMENT FOR HOME INSPECTION SERVICES

Please read carefully

Please keep in mind that it is impossible during a several hour inspection to find everything that may be wrong with a house and/or property. Virtually every home will have some deficiencies not identified on the report. To the extent feasible, the inspection and report will be performed in a manner consistent with the standards of practice required by the state of Massachusetts, where applicable.

The average time of a home inspection is approximately 2-3 hours; time of inspection may vary depending on size, condition, age, type, and complexity of the structure being inspected. The roof, flashings, gutters, soffit, facias, chimneys, skylights, vents, and other roof accessories where visibly accessible from the subject property's ground, will be inspected from the ground or with field glasses. The inspector will inspect flat roofs and attic where internal accessibility is readily and safely available with a five foot (5') step ladder. A visual inspection of the attic and accessible crawl space(s) is conducted from the point of access. If readily and safely accessible, with sufficient room to enter and sufficient lighting provided, the attic and crawl space(s) will be entered and inspected. Only a representative number of multiple items such as windows, doors, electrical receptacles, floor and wall tiles, etc. are inspected and our opinion concerning these refers to their general condition only.

The client agrees and understands that the purpose of the home inspection and report is to bring to the client's attention the inspector's professional opinion of the apparent condition of portions of the property that fall within the scope of this inspection. The company will provide the client with a limited time, visual inspection of certain readily available areas of the building and is limited to the apparent conditions existing at the time of the inspection only. The Client shall provide safe and sufficient access and sufficient lighting to the areas to be inspected. The inspection and report only includes those items and systems expressly identified in the provided inspection report. Deficiencies and defects which are latent, concealed or not readily accessible, available or not sufficiently lighted are excluded from the inspection. Some typical areas which are excluded and not visibly accessible include but are not limited to: snow, ice, and leaf covered areas, concealed wiring, plumbing, vent lines, duct work, furnace heat exchangers, exterior foundation walls (below grade or covered by shrubs, snow, or wall/paneling, stored goods, etc.) footings, underground utilities and systems, and chimney flues. Equipment, items, and systems will not be dismantled and the inspection does not include invasive or destructive testing, nor is it technically exhaustive. The inspector is not required to move snow, ice, leaves, pollen, lichen, moss, stored goods, debris, furniture, equipment, carpeting, insulation, or like materials which may impede access or limit visibility. Please note other exclusions or limitations on the written report.

Since all utilities may not have been in service and climatic or other conditions may not have required maximum output of heating, cooling, plumbing, or electrical systems, the adequacy or capacity of these systems could not be determined. Furthermore, we are not able to determine if these systems are sufficiently sized or balanced.

This written report covers the highlights of the inspection and the discussion between you and your inspector. Full value from this inspection may be derived from: A) The inspector's walk through or "Show and tell" with you. B) Your notes and the discussion during the "Show and tell". C) Study of this written report. D) The general supplemental information included with each report. (A four page general maintenance brochure checklist is included with all home inspection reports.) E) Follow-up telephone consulting. F) Adherence to maintenance and safety schedules. (We strongly recommend you obtain maintenance, safety, and operational manuals and information for equipment, appliances, fixtures, and systems and any included warranties associated with this property). We also recommend you insure permits were obtained and signed-off by the appropriate municipal inspectors for any and all building, plumbing, heating, gas, and electrical work performed on this property, including but not limited to: new construction, additions, renovations, remodeling, repairs, etc. We recommend that you obtain a full written Seller Disclosure regarding the property similar to the one posted on the company

website:[website address] in addition to the limited Seller Disclosure Questionnaire included in the inspection report.

We have no financial or other interest, present or contemplated, in the property inspected and no personal involvement with trades people or benefits derived from any sales or improvements.

The inspection and report excludes and does not intend to cover: Termites and other pest or insect damage, latent and concealed defects and deficiencies, dismantling of equipment, legal and public records, code and zoning compliance, geological conditions, noise abatement, pet stains and odors, architectural inadequacies or design, or neighborhood issues, on-site or private sewer systems, wells, water treatment systems, solar systems, radiant heating systems, alarms and security systems, smoke detectors, central vacuum systems, kitchen appliances, washing machines and dryers, telephones, audio/video systems, wood and coal stoves, pre-fab and "zero" clearance fireplaces, space heaters, intercoms, sprinkler systems, underground storage tanks, gas logs, gas lights, elevators, common areas, any swimming pool, hot tubs, Jacuzzi, spas, saunas, steam baths, landscape lighting, fountains, shrubs, trees, tennis court, playground equipment or other recreational or leisure appliances. Qualified experts of your choice should be consulted for these specialized areas and related information. Also excluded are all cosmetic conditions such as wallpaper, painting, carpeting, floor finishes, etc. In addition, the inspection and report do not address the possible presence of or danger from: environmental & health issues. The Client acknowledges that a home inspection is NOT an environmental survey, mold or health report, and is not intended to detect, identify, disclose or report on the presence of any actual or potential environmental and/or health concerns and hazards in the air, water, soil, furniture or building material. Such environmental and health concerns and hazards include but are not necessarily limited to: Asbestos, radon, lead & lead paint, mold, mildew, fungus, urea formaldehyde (UFFI), bed bugs, rodents, birds, bats or reptiles, odors, noise, toxic or flammable chemicals, water or air quality, PCBs or other toxins, electromagnetic fields, underground storage tanks, proximity to toxic or other waste sites, carbon monoxide and Chinese drywall. The Client agrees to hold the Company and the Inspector harmless for any injury, health risk, or damage caused – or contributed to – by these conditions and all other similar or potentially harmful substances which are normally identified by specialists in the detection of these substances. The client is urged to contact reputable, qualified specialists if information about or identification of the above is desired.

THE INSPECTION AND REPORT ARE NOT INTENDED OR TO BE USED AS A GUARANTEE, WARRANTY, OR INSURANCE POLICY, EXPRESSED OR IMPLIED REGARDING THE ADEQUACY, PERFORMANCE OR CONDITION OF ANY INSPECTED STRUCTURE, ITEM, COMPONENT OR SYSTEM AND IT SHOULD NOT BE RELIED UPON AS SUCH. The inspection report is also not a certification nor implied warranty of habitability, merchantability or fitness for use of any kind.

The Client agrees and understands that the Client has a responsibility to take appropriate action, with the appropriate professionals, specialists, contractors, or other trades people to address any and all items brought to the attention of the client as a result of this inspection and report or by any other method of disclosure or discovery. As noted above, the inspection is not a warranty and to help provide protection against unforeseen expenses related to possible hidden, latent or other non apparent defects at the time of the inspection, we strongly advise that a "Home Protection Plan" be purchased with this real estate transaction. Consult your attorney, real estate agent, and/or yellow pages for information about the various home protection warranty policies or programs available.

The inspection and report are performed and prepared for the sole, confidential, and exclusive use and possession of the undersigned Client only. Neither the contents of this report nor any representation made herein are assignable without the express written permission of [Name of Company]. The undersigned Client agrees to indemnify and hold harmless the company and the inspector for all costs, expenses and legal fees incurred and arising out of any legal proceedings brought by any third party who claims he/she relied on the representations made in this inspection report and was damaged thereby, as a result of the release of this inspection report by the Client to any and all third parties.

The inspection and report is not intended to reflect the value of the premises, nor to make any representation as to the advisability or inadvisability of purchase.

Our inspections do not include, nor should they imply a review of compliance or non-compliance with any code, regulation, law, statute, or ordinance whether governmental or otherwise, (except for the requirements specified under the State of _____ Licensing of Home Inspectors) unless such observations are specifically referred to in our inspection report.

If any portion of this Agreement is found invalid or unenforceable by any court of qualified jurisdiction, the remaining provisions shall remain in force between the parties.

If our Client is unfortunately not present at the time of the inspection, or for any reason is unable to sign this agreement at the time of the inspection, this agreement will become part of the inspection report and acceptance of the inspection report shall constitute acceptance of the terms and understanding of the above.

Fee: _____

Property Address: _____

[Name of Company]

Signature (client's or client's designee)

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #7

[Name of Company]

[Address of Company]

[Address - continued]

[Phone]

[Fax]

Report No. _____

License No. _____

CUSTOMER

ADDRESS OF PROPERTY to be Inspected:

CURRENT
ADDRESS

INSPECTION AGREEMENT

(PLEASE READ CAREFULLY)

The COMPANY [Name of Company] agrees to perform a visual inspection of the readily accessible areas of the PROPERTY for the CUSTOMER's sole, confidential and exclusive use and possession in accordance with Standards of Practice of the American Society of Home Inspectors®, a copy of which is provided along with this agreement, subject to the UNCONDITIONAL RELEASE, LIMITATION OF ACTION AND LIMITATION OF LIABILITY set forth on the following page of this Pre-Inspection Agreement.

The Inspection Report will express the personal opinions of the COMPANY's inspector based on his/her visual examination of listed items and components. No disassembly of equipment, opening of walls, moving of furniture, walking on roofs or excavation will be performed unless required under the Standards of Practice of the

American Society of Home Inspectors®. Any opinions regarding the adequacy, capacity or expected life of components are not intended to be exact and, occasionally, wide variations are to be expected between such estimates and future experiences. The Inspection Report is not intended to be exhaustive, nor to imply that every component was inspected or that every possible defect was discovered. The Inspection Report is intended to assist the CUSTOMER in evaluating the overall condition of the PROPERTY. The Inspection Report is based on the inspector's knowledge and ability. A listing of the inspector's qualifications is provided along with the Inspection Report. The CUSTOMER is urged to accompany the inspector during the inspection, to take notes and to ask questions about the inspection in order to get the most value possible from the inspection process. The COMMENTS section printed on the back of the inspection sheets is considered an integral part of the Inspection Report (except for pages 7 & 8 concerning the outdated Standards of Practice).

The inspection and report will not address and are not intended to address the possible presence of or danger from rodents, termites, other insects, asbestos, radon, lead paint, urea formaldehyde, soil contamination or other indoor and outdoor pollutants, toxic or flammable chemicals, water or airborne related illness or disease, molds, fungal activity or any other similar or potentially harmful substances or environmental conditions, or compliance or non-compliance with any building code or other code or

regulation, or that the COMPANY reviewed product recalls to complete the Inspection Report.

Report No. _____

**UNCONDITIONAL RELEASE, LIMITATION OF ACTION AND
LIMITATION OF LIABILITY**

It is understood and agreed that the COMPANY is not an insurer and that the inspection and report are not intended or to be construed as a guarantee or warranty of the adequacy, performance or condition of any structure, item, component, or system at the PROPERTY to be inspected. The CUSTOMER hereby releases and exempts the COMPANY and its agents and employees from any and all liability and responsibility for the cost of repairing or replacing any unreported defect or deficiency and for any consequential damage, property damage or personal injury of any nature.

It is agreed and understood that the CUSTOMER will act diligently to address the necessary repairs and or corrections indicated in the Inspection Report and will otherwise exert reasonable efforts to maintain the PROPERTY.

It is understood and agreed that neither the COMPANY nor its agents or employees may be sued for any liability arising from the inspection unless the suit is filed within two (2) years after the date of the inspection regardless of the date of the CUSTOMER'S discovery of the claim and, specifically, regardless of any different statute(s) or period(s) of limitation(s) provided by law.

In the event that the COMPANY and/or its agents or employees are found liable due to breach of contract, breach of warranty, negligence, negligent misrepresentation, negligent hiring, violation of any statute or Consumer Protection Act or any other theory of liability, it is understood and agreed that the COMPANY and its agents and employees shall be limited to a sum equal to the amount of the fee paid by the CUSTOMER for the inspection and report. It is understood and agreed that the Pre-Inspection Agreement shall be construed and enforced under the law of the State of _____ regardless of the location of the PROPERTY.

Acceptance and understanding of this agreement, including the Unconditional Release, Limitation of Action and Limitation of Liability, are hereby acknowledged:

COMPANY Representative DATE

Customer(s) DATE

Fee for Inspection \$ _____

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #8

Inspection Agreement

Inspection date: _____ **Inspection Address:** _____ **Sample Contract** _____

Name:

Address: _____ **City** _____ **State** _____ **Zip** _____

****Email Address:**

****Reports are sent via email in Adobe PDF format unless otherwise requested**

This inspection, along with any subsequent reinspections of the property conditions, is performed in accordance with the STANDARDS OF PRACTICE of The State of _____ Home Inspectors License Board and ASHI *American Society of Home Inspectors*, is available by fax upon request or the internet. These guidelines are intended to provide the Client (Person for whom this inspection is for) with a better understanding of the property conditions, as observed at the time of inspection. It is not intended to reflect the value of the premises, nor make any representation as to the advisability of purchase. The report expresses the personal opinions of the inspector, based upon his visual impressions of the conditions that existed at the time of the inspection only. The inspection and report are not intended to be technically exhaustive, or to imply that every component was inspected, or that every possible defect was discovered. No disassembly of equipment, opening of walls, moving of furniture, appliances or stored items, or excavation was performed. All components and conditions which by the nature of their location are concealed, camouflaged (heavily painted, caulked or patched over) or difficult to inspect are excluded from the report. HVAC systems are inspected for proper operation at the time of the inspection only. Water leaks or problems from rain water or rain water runoff may not

be visible if it is not raining or has not rained for a period of time. Future operation of any installed system is not guaranteed. When the outside air temperature is below 65f A/C systems can not be inspected for proper operation, without the possibility of causing damage to the unit. The exterior cladding (Brick, EIFS, Vinyl, Hardboard etc.) has not been inspected for concealed or hidden damages to the underlying structure. It is impossible to know the condition of any item or system that is not viewable; your inspector is not *Superman* and cannot see through walls or underground.

Systems and conditions which are not within the scope of the home/building inspection include, but are not limited to: formaldehyde, lead paint, mold, asbestos, toxic or flammable materials, and other environmental hazards; pest infestation, playground equipment, efficiency measurement of insulation or heating and cooling equipment, floor coverings, landscaping, standing water, trees, internal or underground drainage or plumbing, any systems which are shut down or otherwise secured; water wells (water quality and quantity) zoning ordinances; intercoms; security systems; heat sensors; cosmetics or building code conformity. The water tightness of the roofing system is unknown unless it is viewed while raining and leaks are observed, it is not possible to guarantee that a roof will remain leak free for any period of time. Although the inspector may note that mold was or is present no testing of the substance was performed. If any mold/fungi/mildew is viewed it is advised to have the area tested for the identification of the type of mold/fungi/mildew and proceed accordingly or contact the state health department for more information. _____

_____ does not test or inspect for mold or any environmental concern.
PRODUCT RECALLS ARE NOT PART OF THIS INSPECTION, due to the nature, quantity and frequency of them.

The inspection report should not be construed as a compliance inspection of any governmental or nongovernmental codes or regulations. The report is not intended to be a warranty or guarantee of the present or future adequacy or performance of the structure, its systems, or their component parts. This report does not constitute any express or implied warranty of merchantability or fitness for use regarding the condition of the property and it should not be relied upon as such. Any opinions expressed regarding adequacy, capacity, or expected life of components are general estimates based on information about similar components and occasional wide variations are to be expected between such estimates and actual experience.

All homes in _____ should be tested for Radon per EPA guidelines for at risk areas

YES I want a Radon Test

NO I do not want a Radon Test

Under _____ State Law the following items are not part of this inspection and must be listed in this state required agreement: Lead-based paint; Radon; Asbestos; Cockroaches; Rodents; Pesticides; Treated lumber; Fungus; Mercury; Carbon monoxide or other environmental hazards. Wood destroying insects or organisms are not inspected for or part of this report. Subterranean systems or system components (operational or non-operational including Sewage disposal; Water supply or Fuel storage or delivery are not part of this inspection or report.

[Name of Company] certifies that their inspectors have no interest, present or contemplated, in this property or its improvement and no involvement with tradespeople or benefits derived from any sales or improvements. To the best of our knowledge and belief, all statements and information in this report are true and correct.

Should any disagreement or dispute arise as a result of this inspection or report, it shall be decided by arbitration and shall be submitted for binding arbitration to the Construction Arbitration Services (CAS) or other agency in accordance with its arbitration rules then pertaining, unless the parties mutually agree otherwise. In the event of a claim, the Client will allow the Inspection Company to inspect the claim prior to any repairs or waive the right to make the claim. Client agrees not to disturb or repair or have repaired anything which may constitute evidence relating to the complaint, except in the case of an emergency. This inspection and report is only for the use of the Client. 3rd party use is not allowed and is prohibited and protected under USA Copyright laws.



By initialing this box I give my permission for this inspection report to be given to my agent or Realtor...

The customer requests the visual inspection of the readily accessible areas of the structure. This inspection is limited to visual observation existing at the time of the inspection. Latent, hidden, concealed defect or items not readily accessible are not covered or inspected. The customer agrees and understands that the maximum liability incurred by The Inspector/The Company for errors and omissions in the inspection shall be limited to the amount of the fee paid for the inspection plus \$500. All other issues will be governed by the State of _____ Board of Home Inspectors license regulation law.

If this is a joint purchase, signer represents actual authority to sign for both parties.

Type of Service: General Home Inspection: _____

Ancillary Service: _____

Radon Test (CRM) _____ Test start date/time _____

Test end date/time _____

Inspection Fee \$ _____ Radon Test \$ _____

Ancillary service fees \$ _____

Total Fee \$ _____

Paid: _____ Check#: _____ M/C ___ Visa ___ Discover ___ 3-Digit Security Code _____

Credit Card #: _____ Exp. Date: _____

Note: Card will be electronically swiped at the inspection. If card is not available or readable a \$7 service fee is charged to cover increased processing fees charged to us by your Credit Card Company or bank.

Signature of client:

Date:

Signature of inspector:

[Name of Inspector]

Tennessee Home Inspector
License #

[Phone Number]

[Name of Company]

Return agreement via USPS:

Return agreement via Email to:

Where credit has been extended to the client, the client agrees to pay the stated fee for the services performed and any fees that may be required for collections. This inspection is made with the express agreement that by accepting the report and paying the inspection fee, the client understands and agrees to the conditions, limitations and terms of this contract.

FOR GENERAL REFERENCE ONLY.
ALWAYS OBTAIN LOCAL LEGAL ADVICE

SAMPLE #9

[Name of Company]

[Address of Company]

[Address - continued]

PHONE: _____ **FAX:** _____

INSPECTION AGREEMENT
THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT
PLEASE READ IT CAREFULLY

Client: _____ Report Number _____

Inspection Fee: \$ _____ Inspection Date _____

Thermal Imaging Fee: \$ _____ NA _____ Inspection Time _____
[Name of Company] **Total Fee: \$** _____ **(add \$50.00 to Total Fee if paying**
through Escrow)

Termite Inspection Fee: \$ _____ **paid to** _____ **(not included in fee to**
_____.

Inspection Address _____

Inspector _____

1. Client requests a limited visual inspection of the residential structure identified at the above address by **[Name of Company]**, herein after collectively referred to as [Abbreviated Name] or the "Company." This inspection agreement contains the limitations on the scope of the inspection, remedies and liability.

2. Client represents and warrants: (a) they have read the following Agreement carefully, (b) they understand they are bound by all the terms of this contract, (c) they will read the entire inspection report when received and promptly call Company with any questions they may have, and (d) all approvals necessary have been secured for Company's entrance onto the property being inspected.

3. Client understands that the inspection and inspection report are performed and prepared for their sole, confidential and exclusive use. Client agrees that client will not transfer or disclose any part of the inspection report to any other person with these exceptions ONLY: (a) one copy may be provided to the current seller(s) of the property but only upon expressed condition that the seller(s) covenant to use the inspection report only in connection with the Client's transaction, and agrees not to transfer or disclose the report to any persons other than their real estate agent, and (b) one copy may be provided to the real estate agent representing Client and/or a bank or any other lender for use in Clients transaction only. Client agrees to indemnify, defend and hold Company harmless for any third party claims relating to this inspection or inspection report.

4. Company agrees to perform a limited visual inspection of the residential structure at the above address and to provide Client with a written opinion as to the apparent general condition of the structure's components and systems, including identification of significant observable deficiencies as they exist at the time of inspection. The inspection will be performed in a manner consistent with the standards set by the State of _____ and the American Society of Home Inspectors (ASHI). A copy

of these standards will be provided to Client upon request.

5. The inspection shall only include those systems and components as specifically identified in the inspection report. Any area which is not exposed to view, is unreachable by a twelve (12) foot ladder, is concealed, is inaccessible because of soil, walls, floors, carpets, ceilings, furnishing or any other things, or those areas/items which have been excluded by the American Society of Home Inspectors standards and/or by agreement of the parties, is not included in this inspection. The inspection does not include any destructive testing or dismantling.

Client agrees to assume all the risk for all conditions which are concealed from view at the time of the inspection or exist in any area excluded from inspection by the terms of this agreement. Maintenance and other items may be discussed but will NOT form a part of the inspection report. The following areas/items, systems and components are among those NOT included in the inspection.

- * Building Code or zoning violations
- * Concealed systems or component installation
- * Permit research
- * Structural, geological, soil, wave action or hydrological stability, survey, engineering, analysis or testing
- * Termites or other wood destroying insects, rodents or other pests, dry-rot or fungus
- * Latent or concealed defects
- * Asbestos, radon gas, lead paint, urea formaldehyde, toxic or flammable chemicals, water or air quality, PCB's or other toxins, * * electromagnetic fields, underground storage tanks, proximity to toxic waste sites, or other environmental or health hazards.
- * Private water or sewage systems
- * Pools, spas, hot tubs, (Unless agreed otherwise and initialed here , a separate agreement may be needed.)

Clients initials _____).(Initials indicate client understands the pool may be inspected for no additional fee but the inspector or company accept no liability of any kind.

- * Saunas, steam baths, fountains, or other types of related systems and components
- * Repair cost estimates
- * Building value appraisal
- * Radio controlled devices
- * Automatic gates
- * Elevators, lifts, dumbwaiters
- * Thermostatic or time clock controls including sprinkler controls
- * Water softener or purifiers
- * Radiant heat systems
- * Furnace heat exchanger
- * Solar heating systems
- * Gas appliances such as fire pits, barbecues, heaters, and heat lamps. Main gas shut off valve. Any gas leaks
- * Odors or noise
- * Seismic safety
- * Security or fire safety systems
- * Personal property
- * Any adverse condition that may affect the desirability of the property
- * Proximity to railroad tracks or airplane routes
- * Boundaries, easements or rights of way
- * Unique/technically complex systems or components
- * System or component life expectancy
- * Adequacy or efficiency of any system or components
- * Items specifically noted as excluded in the inspection report.
- * Product recalls ("Product recalls and consumer product safety alerts are added almost daily. If client is concerned about appliances or other items installed in the home that may be on such lists, client may

wish to visit the U.S. Consumer Protection Safety Commission (CPSC) web site <http://www.cpsc.gov> for further information. A basic home inspection does not include the identification or research for appliances and other items installed in the home that may be on the CPSC lists.")

(Some of the above items may be included in this inspection for additional fees-check with your inspector)

To prevent false or unrealistic expectations, please understand that the task of a home inspector is to function as a general practitioner who is trained to be a professional in the identification of typical home deficiencies. The inspector performs a visual examination to identify certain components, state their general condition, locate tell-tale problems and then recommends that you consult with appropriate tradesmen or other experts for further evaluation and repair estimates.

Be advised that the inspector will not find every little problem during the limited number of hours spent at the site. For that reason undisclosed problems are often revealed during repairs or after evaluation by tradesmen. No disassembly of equipment, opening of walls, moving of furniture, appliances or stored items, or excavation will be performed. All components and conditions which by the nature of their location are concealed, camouflaged or difficult to inspect are excluded from the report.

Your inspector is a home inspection generalist and is not acting as a licensed engineer, architect, or expert in any craft or trade. If your inspector recommends consulting other specialized experts, Client must do so at Client's expense.

6. Client understands that the inspection and inspection report do not constitute (a) a guarantee, (b) warranty of merchantability or fitness for a particular purpose, (c) any expressed or implied warranty, or (d) an insurance policy. Additionally, neither the inspection or inspection report are substitutes for real estate transfer disclosures which may be required by law.

7. The written report to be prepared by Company shall be considered the final and exclusive findings of Company of the structure. Client understands and agrees they will not rely on any oral statement made by the inspector prior to the issuance of the written report. Client further understands and agrees that Company reserves the right to modify the inspection report for a period of time that shall not exceed forty-eight (48) hours after the inspection report has first been delivered to Client.

8. Client understands and agrees that any claim arising out of or related to any act or omission of Company in connection with the inspection of the residential structure, as limited herein, shall be made in writing and reported to Company within ten (10) business days of discovery. Client further agrees to allow Company to reinspect the claim discrepancy, with the exception of emergency conditions, before Client or Client's agents, employees or independent contractor repairs, replaces, alters, or modifies the claimed discrepancy. To the extent allowed by law, Client understands any claims brought against [Name of Company] or the inspector need to be filed within one year of the inspection date. Client understands and agrees that any failure to notify company as stated above shall constitute a waiver of any and all claims Client may have against Company.

9. The Company limits its liability to the fee paid for the inspection. This limit on Liability can be increased to \$25,000 for a additional fee of \$1000 paid before the inspection. However, any disputes, controversy, interpretations or claim including claims for, but not limiting to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to this contract or arising out of, from or related to the inspection and inspection report shall be first be submitted to mediation prior to filing of any lawsuit with the parties sharing equally in the cost of mediation. Any dispute not resolved at mediation must be filed in the _____ County court and will be heard without a jury. The parties agree that written discovery shall be limited to requests for production of documents relevant to the dispute and that depositions shall be limited to the parties only. The decision of the Judge appointed hereunder shall be final and binding and judgment on the Award may be entered in tort or contract, against Company, its officers, agents or employees, must be brought within one (1) year from the date of the inspection or will be deemed waived and forever banned. Time is expressly of the essence herein.

Client understands the limit of liability: Clients initials _____
Client wants to increase Company's liability for additional fee of **\$1000.00** Clients initials _____

10. Client has been informed by Company that the presence of certain mold and mold spores in housing can result in mild to severe health problems in humans. These health effects include but are not limited to: asthma, allergy symptoms, watery eyes, sneezing, wheezing, difficulty breathing, sinus congestion, blurry vision, sore throat, dry cough, aches and pains, skin irritation, bleeding of the lungs, headaches, memory loss, and fever. A number of infant deaths have been attributed to mold spore exposure. As humans vary greatly in their chemical make-up, so does the individual reaction to mold exposure. For some people, a small number of spores can cause ill effects. In others, it may take more. The tests are an indicator of conditions at the time the sampling occurred. As conditions can change over time, this is an indicator of the type of mold in the areas tested at the time the test was taken. There is no guarantee that mold does not exist in other areas of the home or property.

As a precaution, it is recommended that an air (or carpet) sample be taken which will be sent to a laboratory to determine if mold spores are present in the property, and if so what type(s) are present.

"I/We authorize and request the above named company to conduct the services outlined above"

Clients initials _____ (*Initials here indicate authorization of additional fees of \$130.00 per sample. Two sample minimum unless instructed to perform additional sampling. Sampling must be performed during home inspection for this rate to apply*)

"I/We the undersigned, acknowledge that we have been advised and encouraged to have the property tested for mold, and that I/We understand that the presence of certain types of mold prevalent in housing can cause several health effects, however I/We have decided against having Company perform microbial testing at this time. I agree to hold harmless the above named company/person for any damages or responsibility for building conditions which remain undiscovered regarding of mold and mold spores."

Clients initials _____

11. The Company's agreement to perform the inspection is contingent upon Client's agreement to the provisions, terms, conditions and limitations of this agreement. If the agreement is not signed by Client prior to or at the time the written inspection report is provided to the Client, and Client objects to any terms of this agreement, Client shall return the inspection report within forty-eight (48) hours and any fee that has been paid will be refunded to the Client. Failure to return the written inspection report, use of the inspection report, or payment of the fee shall constitute the full acceptance of all the terms of this agreement. Where credit has been extended to the client, the client agrees to pay the stated fee for the services performed at close of escrow or within 30 days of the inspection, whichever is sooner. If Client cancels the inspection within 24 hours of scheduled inspection time, Client agrees to pay Company one half of the inspection fee. Client understands that the inspection report will be delivered to the Client or their authorized agent the business day following the inspection (excluding holidays) unless otherwise agreed to.

12. This agreement shall be governed by the Laws of the State of (State applicable) . If any portion of this agreement is found to be invalid or unenforceable by any court or arbitrator, the remaining terms shall remain in full force and effected between the parties.

13. This agreement represents the entire agreement between the parties. No oral agreements, understandings or representation shall change, modify, or amend any part of this agreement. No change or modification shall be enforceable against any party unless such changes or modification is in writing and signed by the parties. This agreement shall be binding upon and inure to the parties hereto, their spouse, heirs, executors, administrators, successors, assigns and representatives of any kind whatsoever.

14. Client may seek other inspection services offered by Company such as swimming pool and spa

inspections, radon gas testing, drinking water testing, thermal imaging, microbial (mold) testing, construction consulting, forensic inspections, etc.,. These additional services ,if requested, shall be made by formal addendums to this agreement and there may be additional fees associated with the different services. It is agreed and understood by the parties hereto that all the provisions, limitations, exceptions and exclusions of this agreement shall apply to any optional services in addition to the specific terms of the respective addendums.

15. The fee for this inspection is located on the first page of this agreement. If the Company or Inspector is retained as a consultant after the report has been issued for any legal matter, the consultation time requested by the Client or Clients authorized representative will be billed to the Client at the flat rate of \$185 an hour. All testimony, whether as a fact witness or expert will be billed to Client at a flat rate of \$300 per hour, including waiting times, plus travel and lodging times and costs. The Inspector or Company has no duty to defend subpoenas of Inspector or Company regarding the inspection done for the client or clients records. In the event of a subpoena, [Name of Company] will tender the subpoena defense, if any, to Client by informing the Client in writing by letter to the common address of the inspected property, within five (5) business days of the receipt of the subpoena and thereafter the Client will be responsible to defend and indemnify the Inspector/Company at Client's own cost. In the event the Client fails to defend or object, Client will be deemed to have consented and waived any confidentiality and Inspector/Company may, without any liability to the Client, fulfill the subpoena and charge the professional fees stated above for the same, for which Client promises to remit within ten (10) days of being stated.

16. Your inspector may have an affiliation with a third party service provider ("TPSP") in order to offer you additional value- added services. By entering into this agreement you (a) authorize your inspector to provide your contact information (including telephone number) to the TPSP, (b) waive and release any restrictions that may prevent the TPSP from contacting you (including by telephone), and (c) authorize the TPSP to contact you (including by telephone) regarding special home alarm system offers.

I have read, understand and agree to all terms and conditions of this contract and agree to pay the fee listed above. I also understand that in the event of collection or the defense of a wrongful claim, I shall be responsible for all of Company's collection costs and attorney fees. If signing party is one of more than one purchaser, or acting as a representative of the purchaser(s), signing party represents and affirms the he/she has the authority to enter into this agreement on behalf of all purchasers involved.

Dated _____ **Signature of Client** _____
(One signature binds all)

OR

Dated _____ **Authorized Agent** _____
(One signature binds all)

Dated _____ **For the Company** _____
[Name of Company]