BUILDING INSPECTION AGREEMENT

NOTE – THIS IS A LEGAL CONTRACT THAT DETAILS THE RIGHTS AND OBLIGATIONS OF THE PARTIES. PLEASE READ ALL PAGES CAREFULLY PRIOR TO THE INSPECTION.

THIS CONTRACT IS SUBJECT TO ARBITRATION CLAUSE. FOR SOUTH CAROLINA INSPECTIONS ARBITRATION IS PURSUANT TO SECTION 15-48-10 CODE OF LAWS OF SOUTH CAROLINA

RESOLUTION OF DISPUTES: Any controversy or claim arising out of or relating to this Agreement shall be resolved through **Small Claims Court** (or similar court of limited monetary jurisdiction) in the jurisdiction applicable to this Agreement. In the event that the amount in dispute exceeds the jurisdiction of the applicable **Small Claims Court**, the dispute shall be settled by **binding arbitration** administered by Construction Dispute Resolution Services, or if unavailable, Resolute Systems, before a single arbitrator using its Commercial Arbitration Rules. The arbitrator shall have at least three years of knowledge and experience in the home inspection industry or similar knowledge and experience in construction. Each party agrees to pay its own costs of arbitration.

This Agreement dated:

is between:

Client:

and

Inspector:

For an inspection of the following Property:

Common Street Address:

Fee:

SCOPE OF SERVICES PROVIDED

SCOPE OF THE INSPECTION: A home inspection is a noninvasive, visual observation and operation of the accessible systems and components of real property, including buildings and other improvements. Its purpose is a) to identify conditions that, in the professional opinion of the Inspector, are significantly deficient or b) to identify systems and components that are at the end of their service lives. This inspection is not a Property Condition Assessment and does not follow the PCA standards of practice. The cursory limited inspection intends to reduce risk but will not eliminate risk, the inspection to be done will not identify all repair needs or hazards be they in accessible or inaccessible areas. When inspection of any system or component is limited or designated as not inspected due to inaccessibility or for any other reasons, Client(s) must understand that conditions affecting the structure, systems or components may be present. All findings should be considered partial or incomplete until further evaluated by a qualified repair person prior to closing. Detached garages and out buildings are beyond the scope of this inspection and are not inspected. All “type and materials” are not report on in this inspection.

SC INSPECTIONS: The Inspection is strictly limited to the examination of readily accessible, installed systems and components of homes by using normal operating controls and opening readily operable access panels, where applicable, of the following components of the Property: structure, foundation, exterior, roof, attic, major mechanical systems (heating, air conditioning, electrical, and plumbing), built-in appliances, and interior (floors, ceilings, walls, windows, and doors). All components will be inspected using the current Standards of Practice (SOP) of the American Society of Home Inspectors ("ASHI") posted at www.homeinspector.org, as required by the South Carolina Residential Builders Commission. This inspection is limited to only those systems or components, as set forth in these Standards of Practice, as agreed upon by the client and the inspector, or as expressly excluded in writing. Where multiple instances of the same component exist, a representative number shall be inspected. The observations of conditions are limited to those areas of the home which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the Property or personal injury to the Inspector. Any additional services outside the list of components in this contract or in those rules must be specifically agreed to in writing between the Inspector and the Client.

The Inspector will prepare and provide the Client with a written report for the sole use and benefit of the Client. The written report shall document any deficiencies discovered in the Property's systems and components. A deficiency is a condition that, in the reasonable judgement of the Inspector, is not functioning properly or is unsafe. However, the fact that a system or component is near, at, or beyond the end of its normal service life is not, in itself, a deficiency in the system or component.

NC INSPECTIONS: The Inspection is strictly limited to the examination of readily accessible, installed systems and components of homes by using normal operating controls and opening readily operable access panels, where applicable, of the following components of the Property: structure, foundation, exterior, roof, attic, major mechanical systems (heating, air conditioning, electrical, and plumbing), built-in appliances, and interior (floors, ceilings, walls, windows, and doors). All components will be inspected pursuant to the provisions of the North Carolina Home Inspector Licensure Act and the Standards of Practice set forth for Home Inspectors by the Department of Insurance, Engineering and Building Codes Division as contained in the North Carolina Admin. Code 8.1101 through 8.1115. This inspection is limited to only those systems or components, as set forth in these Standards of Practice, as agreed upon by the client and the inspector, or as expressly excluded in writing. Where multiple instances of the same component exist, a representative number shall be inspected. The observations of conditions are limited to those areas of the home which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the Property or personal injury to the Inspector. Any additional services outside the list of components in this contract or in those rules must be specifically agreed to in writing between the Inspector and the Client.

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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, or serve as a prediction of future conditions or the value of the Property. Further, any descriptions of deficiencies of the Property should not be interpreted as estimates for the costs of repairs to any system or component of the Property.

CLIENT'S DUTY: The Client understands and accepts that the Inspection and report, in accordance with this Agreement, are intended to reduce, but cannot eliminate, uncertainty regarding the condition of the Property. The Client is responsible for reviewing the permit history and for researching any legal actions or insurance claims involving the Property.

The Client agrees to read the entire written report when it is received and to promptly contact the Inspector with any questions or concerns regarding the Inspection or written report. The written report shall be the exclusive findings of the Inspector. Verbal representations not recorded within the Inspection report are not part of the Inspection.

The Client acknowledges that the Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information on the condition of the Property. Should the Inspector's report reveal any additional conditions that require further investigation or repair, the Client agrees that any further evaluation, inspection, and repair work needs to be provided by competent and qualified professionals who are licensed and/or certified to perform the work.

In the event the Client becomes aware of a reportable condition not contained in the written inspection report, the Client agrees to promptly notify the Inspector and allow the Inspector and/or the Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. If the Client fails to so notify the Inspector and fails to allow an additional inspection, then any costs of such repairs, alterations or replacements will be entirely at the Client's cost without recourse against the Inspector.

LATENT DEFECTS: The Client agrees that the Inspection is not a technically exhaustive investigation or evaluation of every aspect of the Property. The Client acknowledges and agrees that the Inspection and the written report will not reveal every existing deficiency and future condition affecting the Property. The Inspector is not responsible for the non-discovery of any latent defects of the Property or any problems that may occur or become evident after the date of the Inspection. Latent defects of the

Property include, but are not limited to: cracking, leaking, surface dislocations, or landslides resulting from, without limitation to, water leaks, land subsidence, or other geological problems. The Inspector is not responsible for any defects that may manifest themselves in the future, any structural failures that may occur in the future, or damages that result from future repairs.

COMPLIANCE WITH BUILDING CODES: Consistent with the scope of the Inspection, as provided in this Agreement, the Inspector will identify items that may present a health or safety issue. However, the Inspector will not provide an opinion on compliance with any particular building code.

INSURABILITY: The Client understands that the Inspection will not determine the insurability of the Property. Insurance companies have different underwriting criteria, and the Inspector cannot be expected to determine how a particular system or component may affect insurability.

ENVIRONMENTAL AND HEALTH CONDITIONS: The Client agrees that the Inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding the Property, including, but not limited to the presence of: asbestos, radon, lead, or urea-formaldehyde; wood destroying organisms, fungi, molds, mildew, feces, urine, vermin, pests, or any animal or insect; drywall that may have been manufactured with contaminated materials (including carbon disulfide, carbonyl sulfide and hydrogen sulfide), polychlorinated biphenyls (PCBs), or other toxic, reactive, combustible, or corrosive contaminants, materials; or substances in the water, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

If the Client wishes to have an inspection for any specific health or environmental condition, that must be covered by a separate addendum to this Agreement.

In addition to the above limitations on the scope of services, the Inspection will not include any engineering or architectural analysis. The report will not offer any opinion about the adequacy of the structural systems and components of the Property.

RE-INSPECTION OF COMPONENTS: In the event that the Inspector is asked by the Client to re-inspect a component or condition that has been repaired, the Inspector's scope of re-inspection will be limited to the components or conditions identified. The Inspector will not be responsible for any changed conditions in other components or conditions since the date of the original Inspection. Any re-inspection of repaired components or conditions will not determine if the repair is adequate, proper, or compliant with current building codes. Any re-inspection will only determine if visually identifiable deficiencies still exist.

LIMITATION OF LIABILITY

THE FOLLOWING CLAUSE LIMITS THE LIABILITY OF THE INSPECTOR – PLEASE READ CAREFULLY

THE CLIENT AGREES AND UNDERSTANDS THAT THE INSPECTOR IS NOT AN INSURER AND IS NOT WARRANTING OR GUARANTEEING THE ADEQUACY, PERFORMANCE, OR LIFE EXPECTANCY OF ANY STRUCTURE, ITEM, COMPONENT, OR SYSTEM OF THE PROPERTY. THE CLIENT FURTHER AGREES THAT, IF THE INSPECTOR OR ANY OF THE INSPECTOR'S AGENTS, EMPLOYEES, SUBCONTRACTORS, OFFICERS, OR SHAREHOLDERS ARE FOUND LIABLE FOR ANY LOSS OR DAMAGE DUE TO NEGLIGENCE OR THE FAILURE TO PERFORM THE INSPECTOR'S OBLIGATIONS IN THIS AGREEMENT, INCLUDING THE IMPROPER OR NEGLIGENT PERFORMANCE OF THE INSPECTION OR THE IMPROPER OR NEGLIGENT REPORTING OF

CONDITIONS OF THE PROPERTY, **THE INSPECTOR'S MAXIMUM LIABILITY SHALL BE LIMITED TO TWICE THE AMOUNT OF THE PAID INSPECTION FEE**. THIS LIMITATION SHALL NOT APPLY TO ANY DAMAGES SPECIFICALLY ALLOWED BY STATUTE.

THIS LIMITATION OF LIABILITY SPECIFICALLY COVERS LIABILITY FOR: DAMAGED PROPERTY, LOSS OF USE OF THE PROPERTY, LOST PROFITS, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, GOVERNMENTAL FINES AND CHARGES, PUNITIVE DAMAGES, ATTORNEY'S FEES, AND COURT COSTS.

AT THE CLIENT'S OPTION, A **COMPREHENSIVE INSPECTION** WITHOUT LIMITATION OF LIABILITY IS AVAILABLE. A **COMPREHENSIVE INSPECTION** INCLUDES A CONTRACTOR, ENGINEER, AND ARCHITECT REVIEWING THE PROPERTY FOR A MINIMUM FEE OF $2,500 (REQUIRES QUOTE AND ADDITIONAL SCHEDULING). A **COMPREHENSIVE INSPECTION** REQUIRES A SEPARATE CONTRACT.

THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO ANY DAMAGES CAUSED BY THE GROSS NEGLIGENCE OF THE INSPECTOR IN THE PERFORMANCE OF THE INSPECTOR'S OBLIGATIONS IN THIS AGREEMENT.

RESOLUTION OF DISPUTES

Any controversy or claim arising out of or relating to this Agreement shall be resolved through **Small Claims Court** (or similar court of limited monetary jurisdiction) in the jurisdiction applicable to this Agreement. In the event that the amount in dispute exceeds the jurisdiction of the applicable **Small Claims Court**, the dispute shall be settled by **binding arbitration** administered by Construction Dispute Resolution Services, or if unavailable, Resolute Systems, before a single arbitrator using its Commercial Arbitration Rules. The arbitrator shall have at least three years of knowledge and experience in the home inspection industry or similar knowledge and experience in construction. Each party agrees to pay its own costs of arbitration.

Any legal action or proceeding shall be brought in the County in which the Property is located.

ENFORCEMENT FEES AND COSTS

Any party failing to follow the RESOLUTION OF DISPUTES process identified above, shall be **liable for all fees and costs** associated with compelling or enforcing compliance with the RESOLUTION OF DISPUTES process.

TIME TO INITIATE ACTION

SC INSPECTIONS: Any action regarding or arising from the condition of the Property and the Inspection and/or the written report must be filed and initiated by the Client no later than **one (1) year** after the Client discovers, or through the exercise of reasonable care, could have discovered, the conditions giving rise to the claim. Otherwise, the claim will be barred. If the matter is in arbitration, the arbitrator will be bound by the terms of this paragraph as a limitation on the arbitrator's ability to render an award in favor of the Client.

NC INSPECTIONS: Any action regarding or arising from the condition of the Property and the Inspection and/or the written report must be filed and initiated by the Client no later than **one (1) year** following the date of the Inspection. Otherwise, the claim will be barred. If the matter is in arbitration, the arbitrator will be bound by the terms of this paragraph as a limitation on the arbitrator's ability to render an award in favor of the Client.

GA INSPECTIONS: Any action regarding or arising from the condition of the Property and the Inspection and/or the written report must be filed and initiated by the Client no later than **one (1) year** after the Client discovers, or through the exercise of reasonable care, could have discovered, the conditions giving rise to the claim. Otherwise, the claim will be barred. If the matter is in arbitration, the arbitrator will be bound by the terms of this paragraph as a limitation on the arbitrator's ability to render an award in favor of the Client.

NO WARRANTIES OR GUARANTEES

The Inspection and the written 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 Property. The Client acknowledges and agrees that the Inspector is not an insurer of any inspected or non-inspected conditions of the Property.

RELIANCE BY THIRD PARTIES

The Client agrees and understands that the Inspection report provided to the Client under this Agreement is solely for the Client's exclusive use in evaluating the physical condition of the property. No representation is made by the Inspector as to the value of the Property.

If anyone other than the Client relies upon the inspection report, that person agrees to be bound by all of the terms and conditions in this Agreement.

ENTIRE AGREEMENT AND SEVERABILITY OF PROVISIONS

This Agreement contains the entire Agreement between the Client and the Inspector. 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 having been 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.

You may not assign this Agreement. If there is more than one Client, you are signing on behalf of all of them and you represent that you are authorized to do so for all Clients and/or intended beneficiaries. The provisions of this Agreement will be binding upon any party that takes title to the Property with the Client or claims title to the Property through the Client.

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DISCLOSURE OF PERSONAL INFORMATION TO THIRD PARTIES

By initialing here (_____), Client authorizes Inspector to distribute copies of the Report, which may include any personal information such as names, addresses, email addresses, telephone numbers about the home inspection or the Client or Clients to third parties, including real estate agents directly involved in this transaction.

Client: _____

Dated: _____

Inspector: _____

Dated: _____

State License No.: _____

License Expiration Date: _____