

PRE-INSPECTION AGREEMENT

Subject Property to be Inspected:
Inspection Date:
Client(s) Name:
Client(s) Present Address:
Inspected By:

Inspection Time: () AM () PM

PLEASE READ THIS DOCUMENT AND ATTACHED ADDENDUM(S) CAREFULLY. IT CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS, INCLUDING YOUR RIGHT TO MAINTAIN A COURT ACTION. IF YOU HAVE ANY QUESTIONS REGARDING THE TERMS OF THIS PRE-INSPECTION AGREEMENT YOU SHOULD DISCUSS THEM WITH THE INSPECTOR PRIOR TO SIGNING THIS AGREEMENT.

The Client authorizes _____ hereinafter referred to as "the Company", to provide the following inspection services at the above identified Subject Property, and agrees to pay the price stated to the Company for the performance of the inspection(s) and issuance of the inspection report(s).

_____ ONLY THOSE SERVICES CHECKED OFF WITH A WRITTEN PRICE WILL BE PROVIDED _____

() Home Inspection	\$	()	\$
()	\$	()	\$
()	\$	()	\$

The total fee for our service(s) is \$ _____ Payment is expected before or at the time of inspection. All expenses incurred in collecting any overdue payments or returned checks are the responsibility of the Client.

Payment is made by: () Check No. () Cash / Money Order No. () Credit Card

REPORT DISTRIBUTION: The Client controls the distribution of all inspection reports and authorizes the Company to release copies of the report or summary to the following: () CLIENT () CLIENT'S Real Estate Agent () CLIENT'S Attorney () Other:

NOTE: IMPORTANT LIMITATIONS AND EXCLUSIONS OF THIS PRE-INSPECTION AGREEMENT ARE CONTAINED IN THE ATTACHED ADDENDUM ENTITLED *LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT*. PLEASE THE READ THE ADDENDUM CAREFULLY. PLEASE FEEL FREE TO ASK ANY QUESTIONS. For all other services provided by the Company, if any, the terms and conditions of such services are contained in the additional attached Agreements and/or Addendums.

I have read and agree to each of the terms, conditions, limitations and exclusions of this Pre-Inspection Agreement and the attached addendum(s).

Client's Signature: _____ Date: _____

Client's Name: _____
Please Print

Inspector's Signature: _____ Date: _____

Inspector's Name: _____
Please Print

GENERAL LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT

CLIENT AND COMPANY (Company is also defined to include any and all inspectors who perform the contracted-for inspections as an employee or independent contractor of the Company) agree to the following terms and conditions:

- 1. Client Attendance and Permission to Access Subject Property:** The Client acknowledges that Client and/or any authorized representative has been encouraged to attend and participate in the inspection and recognizes that failure to do so may result in less than a complete understanding of the findings. The Client further acknowledges that such participation is at the Client's own risk. The Client warrants that permission has been secured for the Company to enter and inspect the Subject Property.
- 2. BINDING ARBITRATION PROVISION. PLEASE READ CAREFULLY:** Any dispute, controversy, interpretation, or claim, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation, and/or any violation of any law, statute, regulation, ordinance, or any other theory of liability arising out of, from or related to this Pre-Inspection Agreement or arising out of, from or related to the Inspection or the Report shall be submitted to final and binding arbitration as conducted by and according to the Rules and Procedures of Construction Dispute Resolution Services, LLC. The decision of the arbitrator appointed by Construction Dispute Resolution Services, LLC shall be final and binding and judgment on the decision may be entered in any Court of competent jurisdiction. All proceedings must be held in the state where the inspection was performed. **NOTICE: YOU AND WE WOULD HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION.**
- 3. Disclaimer of Warranty:** The Client understands that the inspection and report do not, in any way, constitute a guarantee, warranty of merchantability or fitness for a particular purpose, express or implied warranty, or an insurance policy. Additionally, neither the inspection nor inspection report is a substitute for any real estate transfer disclosures that may be required by law.
- 4. Notice of Claims:** The Client agrees that any claim for failure of the Company to fulfill its obligations under this Agreement shall be made in writing to the Company upon discovery. The Client also agrees to allow the Company ten (10) days to come to the Subject Property to inspect and evaluate any condition complained of by the Client to the Company and not to make, or allow others to make, any alteration to the claimed condition until the Company has had the opportunity to inspect and evaluate the claimed condition, except in case of emergency.
- 5. Choice of Law:** This Pre-Inspection Agreement shall be governed by the law of the state where the services are performed. If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in force between the parties.
- 6. LIMITATION OF LIABILITY. PLEASE READ CAREFULLY:** The Client understands and agrees that the Company is not an insurer and that the payment for the inspection and report is based solely on the value of the service provided by the Company in the performance of the limited visual inspection and production of the report as described herein. Thus, the Client agrees that the sole and exclusive remedy for any claims against the Company, including claims for, but not limited to, breach of contract, negligence, and/or any violation of any law, statute, regulation, ordinance (except violations of the Tennessee Consumer Protection Act), but excluding claims for fraud, misrepresentation or reckless or intentional conduct, or any other theory of liability arising out of, from or related to this Agreement or arising out of, from or related to the inspection or the report, is limited to an amount equal to the inspection fee multiplied by two (2), as liquidated damages and not as a penalty. The Client releases the Company from any and all additional liability, whether based on contract, tort, or any other legal theory. The Client understands that he/she/they is/are free to consult with another professional if the Client does not agree to this provision.
- 7. Systems & Components Not Inspected By Agreement:** The Client and the Company agree that the following systems and/or components of the Subject Property are specifically excluded from the inspection at the request of the Client:
- 8. Responsibility for Return Inspections:** The Client understands that if any systems and/or components of the Subject Property cannot be inspected due to unforeseen circumstances during the inspection it is the Client's duty to contact the Company should the Client desire the Company to return to the Subject Property at a later date or time to inspect those systems and/or components. Any systems and/or components not inspected due to unforeseen circumstances will be identified in the report. If Client desires the Company to return at a later date or time the Client hereby agrees that the Company will charge the Client an additional fee in the amount of \$ _____ to conduct the return inspection.
- 9. Entire Agreement:** This Pre-Inspection Agreement and any subsequent report issued to the Client by the Company represent the entire agreement between the parties. No oral agreements, understandings, or representations shall change, modify or amend any part of this Agreement. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties and supported by valid consideration. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns, and representatives of any kind whatsoever. The inspection is being performed for the exclusive use and benefit of the Client. The inspection, including the written report, is not to be transferred to, utilized or relied upon by any other person or entity without prior written permission of the Company.
- 10. Client's Agreement & Understanding of Terms:** By signing this Agreement, the undersigned Client agrees that he/she/they have read, understand, and agree to all of the terms and conditions on all pages of this Agreement, including the provisions for arbitration, and limitations and exclusions, and agree to pay the fee shown according to the terms above. The Client understands that the Client has a right to have an attorney of the Client's choice review this Agreement before signing it. The Client understands that if the Client does not agree with any of the terms, conditions, limitations and/or exclusions set forth in this Agreement, the Client is free to not sign it. The Client understands that the Client may retain another provider to perform the services contemplated by this Agreement. The Client further understands that, should the Client not agree to the terms and conditions set forth in this Agreement, the Client may negotiate with the Company for different terms and conditions.

LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT
FOR TENNESSEE ONLY

CLIENT AND COMPANY (Company is also defined to include any and all inspectors who perform the contracted-for inspections as an employee or independent contractor of the Company) agree to the following terms and conditions apply for all services performed in Tennessee, in addition to the GENERAL LIMITATIONS AND EXCLUSIONS OF THE HOME INSEPTION AND REPORT:

11. **Standards of Practice:** The scope of this inspection is defined and limited by the standards, limitations, exceptions and exclusions as contained in the *Tennessee Home Inspector License Act of 2005, Tenn. Code Ann. § 62-6-301, et seq.*, the *Rules Of Tennessee Department Of Commerce And Insurance Division Of Regulatory Boards, Chapter 0780-5-12 ("TN SoP")* and this Pre-Inspection Agreement. The Company agrees to inspect the readily visible and readily accessible systems and components of the Subject Property as defined below and report on any such systems and components are significantly deficient.

12. **Definitions and Purpose of the Inspection:** Home inspection means a visual analysis for the purpose of providing a professional opinion of the condition of a residential building, ancillary buildings, any reasonably accessible installed components and the operation of the building's systems, including any controls normally operated by the owner of the building, for the following components: (a) heating systems; (b) cooling systems; (c) electrical systems; (d) plumbing systems; (e) structural components; (f) foundations; (g) roof coverings; (h) exterior and interior components; and (i) any other site aspects that affect the residential dwelling. Home inspection does not mean a compliance inspection for building codes or any other codes adopted by this state or a political subdivision of this state. Home inspection does not mean any work that is within the scope of practice of architecture, engineering or landscape architecture or is performed by a person qualified to use the title "registered interior designer." **Readily visible** means seen by using natural or artificial light without the use of equipment or tools other than a flashlight. **Readily accessible** means approachable or enterable for visual inspection without the risk of damage to any property or alteration of the accessible space, equipment, or opening. **Significantly deficient** means unsafe or not functioning. The purpose of the inspection is to provide the client with an understanding of the property conditions at the time of the home inspection, only.

13. **Inspection Report:** The Company will prepare a written home inspection report which shall: (a) describe those systems and components required to be described the *TN SoP*; (b) state which systems and components designated for inspection have been inspected, and state any systems or components designated for inspection that were not inspected, and the reason for not inspecting; (c) state any systems or components so inspected that do not function as intended, allowing for normal wear and tear, or adversely affect the habitability of the dwelling; and (d) state whether the condition reported requires repair or subsequent observation, or warrants further investigation by a specialist.

14. **Inspection Exclusions:** The Company **IS NOT REQUIRED TO REPORT ON:** (a) life expectancy of any component or system; (b) the cause(s) of the need for a repair; (c) the methods, materials, and costs of corrections; (d) the suitability of the property for any specialized use; (e) compliance or non-compliance with adopted codes, ordinances, statutes, regulatory requirements or restrictions; (f) the market value of the property or its marketability; (g) the advisability or inadvisability of purchase of the property; (h) any component or system that was not inspected; (i) the presence or absence of pests such as wood damaging organisms, rodents, or insects; or (j) cosmetic damage, underground items, or items not permanently installed. The Company **IS NOT REQUIRED TO:** (a) offer warranties or guarantees of any kind; (b) calculate the strength, adequacy, or efficiency of any system or component; (c) enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely affect the health or safety of the home inspector or other persons; (d) operate any system or component that is shut down or otherwise inoperable; (e) operate any system or component that does not respond to normal operating controls; (f) move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; (g) determine the effectiveness of any system installed to control or remove suspected hazardous substances; (h) predict future conditions, including but not limited to failure of components; (i) project operating costs of components; (j) evaluate acoustical characteristics of any system or component; or (k) inspect special equipment or accessories that are not listed as components to be inspected in the *TN SoPs*. The inspection **DOES NOT ADDRESS ENVIRONMENTAL HAZARDS** including, but not limited to: (a) lead-based paint; (b) radon; (c) asbestos; (d) cockroaches; (e) rodents; (f) pesticides; (g) treated lumber; (h) mercury; (i) carbon monoxide; (j) oil, gasoline or any other petroleum product; (k) lead; (l) urea formaldehyde; (m) mold; (n) mildew; (o) fungus; (p) odors; (q) noise; (r) toxic or flammable chemicals; (s) water or air quality; (t) PCBs or other toxins; (u) electromagnetic fields; (v) underground storage tanks; (w) proximity to toxic waste sites or sites being monitored by any state or federal agency; (x) the presence of or any hazards associated with the use or placement of Chinese drywall at the Subject Property; or any other environmental or health hazards. The Company **IS NOT REQUIRED TO DETERMINE** whether any system or component of the Subject Property has been affected by the illegal manufacture, distribution, storage, possession or sale of any illicit drugs, products or by-products, including, but not limited to, methamphetamines, and including any and all chemicals, tools, household fixtures or appliances used to facilitate such illegal activities. The Company **IS NOT REQUIRED TO INSPECT:** (a) timers; (b) clocks; (c) thermostats; (d) safety devices; (e) lawn sprinklers; (f) detached structures; (g) fencing; (h) low voltage wiring or components; (i) radiant heat system performance; (j) security systems; (k) solar water heating components; (l) appliances, (m) freezers or similar storage compartments; (n) elevators, dumbwaiters and/or lifts of any type; (o) fire protection systems including sprinklers, hoods, ducts, air filtration systems and standpipes; (p) acoustical properties and/or soundproofing; or (q) subterranean systems or system components, operational or nonoperational, including: (i) sewage disposal; (ii) water supply; or (iii) fuel storage or delivery.

Client's Signature: _____ Date: _____

Client's Name: _____
Please Print

Inspector's Signature: _____ Date: _____

Inspector's Name: _____

LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT
FOR ALABAMA ONLY

CLIENT AND COMPANY (Company is also defined to include any and all inspectors who perform the contracted-for inspections as an employee or independent contractor of the Company) agree to the following terms and conditions apply for all services performed in Alabama, in addition to the GENERAL LIMITATIONS AND EXCLUSIONS OF THE HOME INSEPCTION AND REPORT:

15. **Standards of Practice:** The scope of this inspection is defined and limited by the standards, limitations, exceptions and exclusions as contained in the *Alabama Building Commission Administrative Code Chapter 170-X-25-.01 et seq. ("AL SoP")* and this Pre-Inspection Agreement. Inspections performed under the *AL SoP* are basically visual and rely upon the opinion, judgment and experience of the inspector, are not intended to be technically exhaustive, and the inspector is not required to identify concealed conditions or latent defects.

16. **Definitions and Purpose of the Inspection:** A **home inspection** is the process by which an inspector visually examines the readily accessible systems and components of a home and which describes those systems and components in accordance with the *AL SoP*. **Inspect** means to examine readily accessible systems and components of a building in accordance with the *AL SoP*, using normal operating controls and opening readily accessible access panels. Home inspections performed to the *AL SoP* are 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 Company will identify systems and components that are significantly deficient. **Significantly deficient** means that the system or component is unsafe or not functioning. **Unsafe** means a condition in a readily accessible, installed system or component which is judged to be a significant risk of personal injury during normal, day-to-day use. The risk may be due to damage, deterioration, improper installation or a change in accepted residential construction standards.

17. **Inspection Report:** The Client and the Company agree the Company, and its inspector(s), will prepare a written Inspection Report which shall: A. report on those systems and components inspected which, in the professional opinion of the inspector, are significantly deficient or are near the end of their service lives; B. report a reason why, if not self-evident, the system or component is significantly deficient or near the end of its service life; C. report the inspector's recommendations to correct or monitor the reported deficiency; and D. report on any systems and components designated for inspection in the *AL SoPs* which were present at the time of the inspection but were not inspected and a reason they were not inspected.

18. **Inspection Exclusions:** The Company **IS NOT REQUIRED TO DETERMINE:** conditions of systems or components which are not readily accessible; remaining life of any system or component; strength, adequacy, effectiveness or efficiency of any system or component; the causes of any condition or deficiency; methods, materials or costs of corrections; future conditions including, but not limited to, failure of systems and components; the suitability of the Subject Property for any specialized use; compliance with regulatory requirements (codes, regulations, laws, ordinances, etc.); market value of the property or its marketability; the advisability of purchase of the Property; the presence of potentially hazardous plants or animals including, but not limited to, wood destroying organisms or diseases harmful to humans; the effectiveness of any system installed or the method utilized to control or remove suspected hazardous substances; operating costs of systems or components; or acoustical properties of any system or component. The Company **IS NOT REQUIRED TO OPERATE:** any system or component that is shut down or otherwise inoperable; any system or component that does not respond to normal operating controls; and shut-off valves. The Company **IS NOT REQUIRED TO ENTER:** any area that will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the Property or its systems or components; and under-floor crawl spaces or attics that are not readily accessible. The Company **IS NOT REQUIRED TO INSPECT:** underground items including, but not limited to, underground storage tanks or other underground indications of their presence, whether abandoned or active; systems or components which are not installed; decorative items; systems or components that are not entered in accordance with this Agreement; detached structures other than garages and carports; and common elements or common areas in multi-unit housing, such as condominium properties or cooperative housing. The Company **IS NOT REQUIRED TO:** perform any procedure or operation that will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the Property or its systems or components; move suspended ceiling tiles, personal property, furniture, equipment, plants, soil, snow, ice or debris; or dismantle any system or component, except as explicitly required by the *AL SoP*. The Company **IS NOT REQUIRED TO DETERMINE** whether any system or component of the Subject Property has been affected by the illegal manufacture, distribution, storage, possession or sale of any illicit drugs, products or by-products, including, but not limited to, methamphetamines, and including any and all chemicals, tools, household fixtures or appliances used to facilitate such illegal activities. The Company **IS NOT RESPONSIBLE FOR DETECTING, IDENTIFYING, DISCLOSING OR REPORTING** the presence of any actual or potential environmental concerns or hazards in the air, water, soil or building materials. Such environmental concerns and hazards include, but are not limited to: (1) asbestos; (2) radon; (3) oil, gasoline or any other petroleum product; (4) lead; (5) urea formaldehyde; (6) mold; (7) mildew; (8) fungus; (9) odors; (10) noise; (11) toxic or flammable chemicals; (12) water or air quality; (13) PCBs or other toxins; (14) electromagnetic fields; (15) underground storage tanks; (16) proximity to toxic waste sites or sites being monitored by any state or federal agency; (17) carbon monoxide; (18) the presence of or any hazards associated with the use or placement of Chinese drywall at the Subject Property; or any other environmental or health hazards, unless otherwise agreed to and an additional fee paid. The Company **IS NOT REQUIRED TO INSPECT:** (1) timers; (2) clocks; (3) thermostats; (4) safety devices; (5) lawn sprinklers; (6) detached structures; (7) fencing; (8) low voltage wiring or components; (9) radiant heat system performance; (10) security systems; (11) solar water heating components; (12) appliances, (13) freezers or similar storage compartments; (14) elevators, dumbwaiters and/or lifts of any type; (15) fire protection systems including sprinklers, hoods, ducts, air filtration systems and standpipes; and (16) soundproofing.

Client's Signature: _____ Date: _____

Client's Name: _____

Please Print

Inspector's Signature: _____ Date: _____

Inspector's Name: _____