

PRE-INSPECTION AGREEMENT

Subject Property to be Inspected:

Inspection Date:

Client(s) Name:

Inspected By: Steve Lawhead

Lic. #30187

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 the above-identified service provider, 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).

(x) Home Inspection fee \$ Radon Fee \$

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.

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: (x) CLIENT (x) CLIENT'S Real Estate Agent

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 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).

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 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 for falls, injuries, property damage, etc. The Client warrants that permission has been secured for the Company to enter and inspect the Property.

2. **Standards of Practice:** The Company agrees to perform a limited visual inspection of the residential property in accordance with the Home Inspector Minimum Standards of Practice promulgated by the Maryland Commission of Real Estate Appraisers,

Appraisal Management Companies and Home Inspectors (*MD SOP*). A home inspection performed in accordance with the *MD SOP*: (a) Is intended to provide a client with objective information regarding the condition of the systems and components of a home as inspected at the time of the home inspection; (b) acts to identify visible defects and conditions that, in the judgment of the home inspector, adversely affect the function or integrity of the items, components, and systems inspected, including those items or components near the end of their serviceable life; (c) may not be construed as a compliance inspection pursuant to any code or governmental regulation; (d) Is not an express or implied warranty or a guarantee of the adequacy, performance or useful life of any item, component, or system in, on, or about the inspected property; (e) is based on the visual observation of the home inspector; and (f) shall be performed in a time period sufficient to allow compliance with the other provisions of the *MD SoP*.

3. **Definitions and Purpose of the Inspection:** **Home inspection** means a written evaluation of one or more of the components of an existing residential building, including the heating system, cooling system, plumbing system, electrical system, structural components, foundation, roof, masonry structure, exterior and interior components, or any other related residential housing component. **Inspect** means to examine readily accessible systems and components of a building in accordance with the *MD SOP*, using normal operating controls and opening readily openable access panels. **Readily accessible** means available for visual inspection without requiring moving of personal property, dismantling, destructive measures, or any action which will likely involve risk to a person or property.

4. **Inspection Report:** The Client and the Company agree the Company, and its inspector(s), will prepare a written Inspection Report which shall: (1) Contain the written opinions of the home inspector based upon the judgment and experience of the home inspector; (2) Identify the items, components, systems and certain terms included in the scope of the home inspection; (3) identify based on a visual inspection of the readily accessible areas whether the included items, components, and systems are performing their intended function or are determined to be significantly deficient; (4) provide the Client with objective information regarding the condition of the systems and components of the home as inspected at the time of the home inspection; (5) identify visible defects and conditions that, in the judgment of the home inspector, adversely affect the function or integrity of the items, components, and systems inspected, including those items or components near the end of their serviceable life; and (6) identify items in need of further evaluation.

5. **Inspection Exclusions:** The Company **IS NOT REQUIRED TO DETERMINE:** (1) Condition of a system or component which is not readily accessible; (2) Remaining life of any system or component; (3) Strength, adequacy, effectiveness, or efficiency of any system or component; (4) Causes of any condition or deficiency; (5) Methods, materials, or costs of corrections; (6) Future conditions including, but not limited to, failure of systems and components; (7) Suitability of the property for any specialized use; (8) Property boundary lines or encroachments; (9) Compliance of the structure with applicable provisions of local ordinances, regulations, or codes; (10) Market value of the property or its marketability; (11) Advisability of the purchase of the property; (12) Indoor air quality or sickness of any building including, but not limited to, the presence or absence of all manner of biological activity, such as carcinogens, mold, insects, birds, pets mammals, and other flora and fauna, and their consequent damage, toxicity, odors, waste products, and noxiousness; (13) Effectiveness of any system installed or methods utilized to control or remove suspected hazardous substances; (14) Operating costs of a system or component; (15) Acoustical properties of any system or component; or (16) The existence of manufacturer's recalls. The Company **IS NOT REQUIRED TO PERFORM:** (1) Any act or service contrary to law; (2) Engineering services; (3) Work in any trade or any professional service other than home inspection; or (4) Warranties or guarantees of any kind. The Company **IS NOT REQUIRED TO OPERATE ANY SYSTEM OR COMPONENT THAT:** (1) Is shut down or otherwise inoperable; or (2) Does not respond to normal operating controls. The Company **IS NOT REQUIRED TO ENTER:** (1) Any area that may be, in the opinion of the home inspector, dangerous to the inspector or other persons or damage the property or its systems or components; or (2) Under-floor crawl spaces or attics those are not readily accessible. The Company **IS NOT REQUIRED TO INSPECT ANY OF THE FOLLOWING:** (1) Underground items including, but not limited to, underground storage tanks or other underground indications of their presence, whether abandoned or active; (2) Systems or components which are not installed; (3) Decorative items; (4) Systems or components located in areas that are not entered in accordance with the *MD SOP*; (5) Detached structures other than garages and carports; (6) Common elements or common areas in multi-unit housing, such as condominium properties or cooperative house; or (7) A common condominium component, system, or evaluated condominium reserve accounts. The Company **IS NOT REQUIRED TO:** (1) Perform any procedure or operation which may, in the opinion of the inspector, be dangerous to the inspector or other persons or damage the property or its systems or components; (2) Move suspended ceiling tiles, personal property, furniture, equipment, plants, soil, snow, ice, or debris; (3) Dismantle any system or component, except as explicitly required by the *MD SoP*; or (4) Include in a written report any information

from any source concerning previous: (a) Property, geological, environment or hazardous waste conditions; (b) Manufacturer recalls or conformance of proper manufacturers' installation of any component or system, or information contained in a consumer protection bulletin of publication. 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:** (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) acoustical properties and/or soundproofing.

6. **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.**

7. **Disclaimer of Warranty:** The Client understands that the Inspection and Inspection 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.

8. **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 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.

9. **Choice of Law:** This Pre-Inspection Agreement shall be governed by Maryland law. 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.

10. **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. This 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.

11. **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. The Client further understands and agrees that it is impracticable and extremely difficult to fix actual damages, if any, which may result from a failure to perform such services. 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 (except gross 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 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.

12. **Systems & Components Not Inspected By Agreement:** The Client and the Company agree that the following systems and/or components of the Property are specifically excluded from the home inspection at the request of the Client:

_____.

13. **Responsibility for Return Inspections:** The Client understands that if any systems and/or components of the Property cannot be inspected due to unforeseen circumstances during the initial Inspection it is the Client's duty to contact the Company should the Client desire the Company to return to the 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 Inspection 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 \$ 150 to conduct the desired return inspection.

14. **Client's Agreement & Understanding of Terms:** By signing this Agreement, the undersigned Client(s) agree that he/she/ll/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 contract 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 contract, the Client is free not to sign and/or execute it. The Client understands that the Client may negotiate with and/or retain another company to perform the services contemplated by this contract. The Client further understands that, should the Client not agree to the terms and conditions set forth in this contract, the Client may negotiate with the Company for different terms and conditions.

Client's Signature: _____

Date: _____

Client's Name: _____

Please Print