

PRE-INSPECTION AGREEMENT

Subject Property to be Inspected

Inspection Date: _____ **Inspection Time:** () AM () PM

Client(s) Name: _____ **Inspected By:** Mike Holt

PLEASE READ THIS DOCUMENT AND ATTACHED ADDENDUM(S) CAREFULLY. IT CONTAINS PROVISIONS THAT LIMIT CERTAIN OF 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 **CASTLE HOME INSPECTIONS** 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 \$360.00 3000sft
() Commercial Inspection \$ SFT Based
() Manufactured Homes \$360.00
() Insurance 4 point Liability \$125.0
() Multi Unit (w/10 or more) \$295.00 per Unit | *() 3000+ sft Home Inspection \$10.00 per additional 100sft
() Phase Construction \$360.00
() Renter's Inspections \$360.00
() RV Inspections \$150.00 (in park) |
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*Basic Home inspections are photos of discrepancies only with a narrative and check list report.

****If the client is not available for signature at time of inspection, acceptance of the completed home inspection report is an agreement of terms of the Pre-Inspection Agreement and the terms as outlined.**

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: _____

Inspector's Signature: *Michael Holt* Date: _____

Inspector's Name: MICHAEL R. HOLT, CASTLE HOME INSPECTIONS, OWNER

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. **Standards of Practice:** **The scope of this inspection is defined and limited by the standards, limitations, exceptions and exclusions as contained in the Standards of Practice of the North Carolina Home Inspector Licensure Board ("NC SoP") and this Pre-Inspection Agreement. The Company will not perform engineering, architectural, plumbing, electrical or any other job function requiring an occupational license in the jurisdiction where the inspection is taking place. Home inspections done in accordance with the NC SoP are not technically exhaustive.**

3. **Definitions and Purpose of the Inspection:** Home inspection means a written evaluation of two or more of the following components of a residential building: 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. **Technically exhaustive** means an inspection involving the use of measurements, instruments, testing, calculations, and other means to develop scientific or engineering findings, conclusions, and recommendations. Home inspections performed according to the NC SoP shall provide the client with an understanding of the property conditions, as inspected at the time of the home inspection.

4. **Inspection Report:** The Client and the Company agree the Company, and its inspector(s), will submit a written report and summary to the Client that shall: (1) describe those systems and components required to be described in the NC SoP; (2) state which systems and components present at the home and designated for inspection in the NC SoP were not inspected, and the reason for not inspecting; (3) state any systems or components inspected that do not function as intended, allowing for normal wear and tear, or appear not to function as intended, based upon documented tangible evidence; (4) describe the system or component; state how the condition is defective; explain the implications of conditions listed in the summary; and direct the Client to a course of action for repair, further investigation by a specialist, or subsequent observation; and (5) **CASTLE HOME INSPECTIONS, License #4323, MICHAEL R. HOLT**

5. Inspection Exclusions:

The Company IS NOT REQUIRED TO REPORT ON: (1) life expectancy of any component or system; (2) the causes of the need for a repair; (3) the methods, materials, and costs of corrections; (4) the suitability of the property for any specialized use; (5) compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; (6) the market value of the property or its marketability; (7) the advisability or inadvisability of purchase of the property; (8) any component or system that was not inspected; (9) the presence or absence of pests such as wood damaging organisms, rodents, or insects; or (10) cosmetic damage, underground items, or items not permanently installed; (11) concealed insulation and vapor retarders; or (12) venting equipment that is integral with household appliances.

The Company IS NOT REQUIRED TO: (1) offer warranties or guarantees of any kind; (2) calculate the strength, adequacy, or efficiency of any system or component; (3) 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; (4) operate any system or component that is shut down or otherwise inoperable; (5) operate any system or component that does not respond to normal operating controls; (6) move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; (7) determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including toxins, carcinogens, noise, contaminants in the building or in soil, water, and air. Such environmental concerns and hazards include, but are not limited to: (i) asbestos; (ii) radon; (iii) oil, gasoline or any other petroleum product; (iv) lead; (v) urea formaldehyde; (vi) mold; (vii) mildew; (viii) fungus; (ix) odors; (x) noise; (xi) toxic or flammable chemicals; (xii) water or air quality; (xiii) PCBs or other toxins; (xiv) electromagnetic fields; (xv) underground storage tanks; (xvi) proximity to toxic waste sites or sites being monitored by any state or federal agency; (xvii) carbon monoxide; (xviii) 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; (8) determine the effectiveness of any system installed to control or remove suspected hazardous substances; (9) predict future condition, including failure of components; (10) project operating costs of components; (11) evaluate acoustical characteristics of any system or component; (12) inspect special equipment or accessories that are not listed as components to be inspected in this Section; (13) walk on the roofing; (14) state the effectiveness of anti-siphon devices; (15) determine whether water supply and waste disposal systems are public or private; (16) operate automatic safety controls; (17) operate any valve except water closet flush valves, fixture faucets, and hose faucets; (18) insert any tool, probe, or testing device inside the electric panels; (19) test or operate any overcurrent device except ground fault circuit interrupters; (20) dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; (20) operate heating systems when weather conditions or other circumstances may cause equipment damage; (21) operate automatic safety controls; (22) ignite or extinguish solid fuel fires; (23) ignite a pilot light; (24) operate cooling systems when weather conditions or other circumstances may cause equipment damage; (26) inspect window air conditioners; (27) inspect the uniformity or adequacy of cool-air supply to the various rooms; or (28) disturb insulation, except as required in the NC 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 REQUIRED TO INSPECT: (1) storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories; (2) fences; (3) for the presence of safety glazing in doors and windows; (4) garage door operator remote control transmitters; (5) geological conditions; (6) soil conditions; (7) recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities), except as otherwise provided in 11 NCAC 8.1109(d)(5)(F); (8) detached buildings or structures; or (9) for the presence or condition of buried fuel storage tanks; (10) accessories attached to the roof including solar systems, antennae, and lightning arrestors; (11) water conditioning systems; (12) fire and lawn sprinkler systems; (13) on-site water supply quantity and quality; (14) on-site waste disposal systems; (15) foundation irrigation systems; (16) bathroom spas, except as to functional flow and functional drainage; (17) swimming pools; (18) solar water heating equipment; (19) low voltage systems; (20) security systems and heat detectors; (21) telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; (22) built-in vacuum equipment; (23) back up electrical generating equipment; (24) other alternative electrical generating or renewable energy systems such as solar, wind or hydro power; (25) the interior of flues; (26) fireplace insert flue connections; (27) heat exchangers; (28) humidifiers; (29) electronic air filters; (30) the uniformity or adequacy of heat supply to the various rooms; (31) solar space heating equipment; (32) paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors; (33) carpeting; or (34) draperies,

blinds, or other window treatments; (35) clocks, timers, self-cleaning oven functions, or thermostats for calibration or automatic operation; (35) non built-in appliances; (36) refrigeration units; (37) appliances in use; or (38) any appliance that is shut down or otherwise inoperable.

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 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 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.

9. **Choice of Law:** This Pre-Inspection Agreement shall be governed by North Carolina 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. **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, 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 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.

11. **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: _____.

12. **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.

13. **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.

14. **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.

15. **Inspection Indemnity.** Purchaser shall indemnify, defend and hold harmless Seller for, from and against any and all losses, defaults, liabilities, causes of action, demands, claims, damage or expenses of every kind including, without limitation, reasonable attorneys' fees and court costs, arising as a result of each of the inspections by Purchaser and/or its employees, agents and contractors, and from and against any mechanic's liens or claims of lien resulting therefrom ("Inspection Indemnity"). The Inspection Indemnity shall survive the Close of Escrow or any termination or cancellation of this Agreement.

Client's Signature:

Date:

Inspector's Signature: *Michael Holt*

Date:

Inspector's Name: MICHAEL R. HOLT, CASTLE HOME INSPECTIONS, OWNER