

THIS AGREEMENT CONTAINS A LIMIT OF LIABILITY AND ARBITRATION CLAUSE, PLEASE READ COMPLETELY.

This contract is an agreement between the CLIENT listed below, and King Construction, Inc (US, WE, OUR) to perform an inspection of a home or building according to the "Standards of Practice" of the NCHILB or SCLLR in regard to installed and fully functional components. These standards of practice inform CLIENT of what a home inspector should report, and what is not expected of the home inspector to report. OUR home inspection is a generalist observation that is visual in nature and not technically exhaustive. Additionally, it is to provide CLIENT with a better understanding of the property's condition as observed at the time of the inspection. Because the home is under construction and numerous components are not installed, not functioning, and/or not completely installed OUR inspection/report will not meet the state's "Standards of Practice". Our under construction inspection is a single trip inspection and does retain us as a Construction Engineer of Record. It will include an inspection of installed: Structural Components, Exterior, Roofing, Plumbing, Electrical, Heating, Central Air Conditioning, Interior, Insulation, Ventilation and built-in kitchen appliances as installed and functioning at the time of the inspection. WE agree to email or mail the CLIENT a report within three business days of the inspection or receipt of signed agreement, or payment in full (which ever is later).

OUR inspection does not include: Negotiating repairs; home warranty/insurance policy; items generally considered cosmetic; pools; spas; Jacuzzis; building code or zoning verification; permit research; engineering services; geological/soil conditions/stability; concealed or latent defects; load bearing alignments; detached buildings or structures (and components inside); buried fuel tanks; environmental tests; flood plain certification; the presence or absence of any suspected adverse environmental condition or hazardous substances; formaldehyde; mold/mildew/fungi; lead; asbestos; sulphurous/china/tainted drywall; water & airborne related illness; wood destroying insects & organisms, pests, rodents and their damages; refrigeration units; water filtration units; low voltage systems; security system devices; product recalls; noise; underground utilities; heat detectors; carbon monoxide detectors; telephone; cable TV; satellite equipment; intercoms; built-in vacuum equipment; or other ancillary wiring that is not a part of the primary electrical distribution system; window thermal seals, mini-blinds, treatments; oven clocks, timers, clean features; solar systems; lightening arrestors; Synthetic Stucco/EIFS; water wells; septic fields; moisture content of walls, floors, ceilings; anything buried; the interior of flues; flue connections; the life expectancy of any component; refrigerant leaks; a board-by-board/brick-by-brick inspection. Depending on conditions roofs may not be walked. Components that are concealed, hidden (including behind shrubbery, insulation, walls, personal property, furniture, etc.), camouflaged, not visible, not accessible, located in an area that may be dangerous or unhealthful to enter and/or difficult to inspect are beyond the scope of this inspection. Movement/disassembly of personal items, panels, covers, insulation, furniture, opening walls, excavation, equipment, plant life, soil, snow, ice or debris that obstructs access or visibility is beyond the scope of this inspection. WE will not operate heating or cooling systems in temperatures that may cause damage to the unit (A/C under 65 degrees or Heat Pump over 65 degrees). WE do not inspect heat exchangers, gas packs, boilers, etc. for cracks. Utilities, plumbing, gas, and electrical must be turned "on" for the inspection of these areas. Furnaces must be "on" or capable of being turned on by using normal operating controls. Pilot lights must be "lit" in order to inspect these components or systems. Inspection of areas/homes that we feel endangers our safety or well being will be aborted.

Attendance / Opinion: The home inspection report represents OUR "opinion" of the property at the time of the inspection. OUR interpretation of what is good or fair may be different than CLIENT. CLIENT is strongly encouraged to be present at the time of the inspection so WE will have a better understanding of each other's perceptions.

CLIENT obligations: CLIENT has made an on-site personal examination of the property prior to the inspection and agrees to notify US of any issues or concerns they have and any disclosure issues or no representation issues by the seller. CLIENT has preexisting concerns with the following components, systems, etc. (please list if any) \_\_\_\_\_. CLIENT has obtained a right of entry to perform this inspection from the seller or seller's representative. CLIENT has obtained permission for US to mark items in need of further evaluation or repair with paint and/or a marker. CLIENT understands the condition of the home is likely to change on a daily basis due to ongoing construction and we can not predict what work will be performed, including new and additional issues/problems that will arise after our inspection is completed. CLIENT understands we can not guarantee our findings will be repaired and/or repaired in a workmanlike manner. CLIENT agrees to hold the builder responsible for repairing all concerns and issues before the close of escrow. CLIENT is urged to call US before they close on the home to review or ask any questions CLIENT may have regarding this inspection / report. CLIENT is responsible for payment in full of all of our fees whether or not CLIENT purchases the property.

OUR purpose is to determine whether or not a system (electrical, heating, etc) is working properly. WE are not responsible to determine all that may be wrong with that system, just whether or not a second opinion is needed, such as a licensed electrician or HVAC contractor. They determine what steps are necessary to correct. Their troubleshooting may reveal additional items not mentioned in this report. WE are not responsible for items mentioned or not mentioned in this report. WE are not a guarantee nor do we guarantee any items or opinions described on this report.

CLIENT's Initial's: \_\_\_\_\_

**Warranty / Claims / Limitations:** This inspection is to reduce the risk of finding a potential problem, not to eliminate them. WE do not guarantee that all defects will be located, reported, identified or recognized. CLIENT agrees that OUR limit of liability shall not exceed the amount paid for the inspection. By retaining OUR services CLIENT acknowledges, understands, and agrees to the statements and terms contained herein, and will hold US harmless to any claims made. WE are not a home warranty company nor do WE carry insurance on warranty claims. If the CLIENT believes WE have made an error or omitted an item the CLIENT feels should have been inspected the CLIENT agrees to notify US in writing of the alleged error or omission immediately upon their discovery of the item(s) and agrees to allow US a reasonable opportunity to re-inspect, address, and repair the alleged error or omission prior to any repairs being performed. Failure on behalf of the CLIENT to notify US immediately in writing and grant US a reasonable opportunity to re-inspect, address, and repair the alleged item(s) is admission by the CLIENT that the condition did not exist at the time of the inspection and shall constitute a remise, full release, and forever discharge US from all, and all manner of, actions, causes of action, suits, proceedings, debts, dues, judgments, damages, claims, administrative claims, and demands whatsoever in law or equity. If CLIENT makes a claim against US for an alleged error, omission, or other act arising out of this inspection report and fails to prove such claim, CLIENT agrees to pay all attorneys' fees, arbitrator's fees, legal expenses, and costs incurred by US in defense of the claim. In the event of a refund of inspection fee or portion thereof, or any other sum, such refund shall be a full and final settlement of all present and future claims, administrative claims, and causes of actions, complaints, etc. and WE shall be thereupon generally and fully released. This inspection is not for third party use; CLIENT requests this inspection/report for their confidential use only. WE will not release this report to any third party without client approval. If CLIENT decides to release this report to others CLIENT agrees to defend, indemnify, and hold US harmless for any damages claimed by others. CLIENT agrees that WE will only be named as an expert witness in litigation issues and CLIENT agrees to execute our litigation agreement prior to naming us an expert witness. Should any buyer or entity disclaim authority of contract signer to act as an agent of any or all buyers, then the signer of the contract herein indemnifies us for all costs, damages, judgments, and expenses incurred by us, including attorney's fees, regarding any claims against us made by buyer or entity that relies on report or other representation or conduct of us or agents thereof.

**Arbitration Clause:** Any dispute concerning the interpretation of this agreement or arising from the Inspection and Report (unless based on payment of fee) shall be resolved by binding, non-appealable arbitration conducted by Construction Arbitration & Mediation Services [www.buildingdisputes.net](http://www.buildingdisputes.net). Any legal act arising from the Inspection and report must be commenced within 90 days of the date of the inspection. If any portion of the agreement, inspection, and/or report is struck down, then all other clauses will remain valid and in force.

**Fees / Payment:** CLIENT is responsible for payment in full of all of our fees whether or not CLIENT purchases the property. The cost of the home inspection is based upon the age and total square feet (heated & unheated) of the home to be inspected and is subject to correction. WE reserve the right to charge an additional fee for homes in distress, cluttered, foreclosed, investment, and rental properties; failure to notify US of such a property at the time of scheduling may result in the inspection being aborted and the CLIENT will be responsible for the full inspection fee. Post inspection consultations may be billed at our currently published consultation fee. Payment must be made in advance or at the time of inspection. Cancellations with less than 48 hours notice will be billed in full. If payment is not received by 7 days after the inspection date, CLIENT authorizes King Construction, Inc. to charge the credit card listed below. Please be advised that when services are rendered payment to King Construction Inc. indicated in the amount below is due whether CLIENT decides to purchase the home or not. Failure to make payment within 7 days of the inspection may result in collection activity and the CLIENT understands that CLIENT will be liable for interest from the date of the inspection, collection costs, court costs, and or attorney fees.

Does the CLIENT give US the authorization to release the original, and/or a copy of the inspection report to the CLIENT's Realtor or real estate agency, solely for the purpose to aid the CLIENT who is to pay for this inspection? Yes / No (circle one)

By signing below CLIENT understands and agrees to all terms and conditions including the limit of liability and arbitration clause.

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Approx Total Sq. Ft.: \_\_\_\_\_ Fee: \_\_\_\_\_

CLIENT(S): \_\_\_\_\_

Signature:  \_\_\_\_\_

Email Address:  \_\_\_\_\_

CLIENT'S Current Address:  \_\_\_\_\_

Phone:  \_\_\_\_\_

Credit Card (circle one) Visa, MasterCard

Card Number  \_\_\_\_\_

Expiration Mo/Yr  \_\_\_\_\_

3 digit security code  \_\_\_\_\_ (last 3 digits on the back signature line of Visa or MasterCard)