

PRE-INSPECTION AGREEMENT

Address of subject Property to be Inspected: _____

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

Client(s) Name: _____

Client(s) Present Address

Inspected By: George White- President- Home Diagnostic Inspections, Inc.- NJ License # 24GI0004000

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 Home Diagnostic Inspections Inc. 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 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.

Payment will be made by: () Check No. _____ () Cash _____ () Credit Card _____ () Date: _____

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 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

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Client's Name: _____
Please Print

LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT

CLIENT AND Home Diagnostic Inspections, Inc. for the purposes of this contract will be referred to as "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 Company agrees to perform a limited visual inspection of the systems and components included in the inspection as they exist at the time of the inspection and for which a fee has been agreed upon. Home Inspectors, including the Company, are governed by the rules in the New Jersey Administrative Code contained at *N.J.A.C. §13:40-15* and the Company and its inspector(s) shall comply with these rules. Failure to comply with these rules may subject the Company and its inspector(s) to discipline. The inspection is limited by the exceptions and exclusions as contained in the Standards of Practice, *N.J.A.C. §13:40-15.16*, and this Pre-Inspection Agreement.
- 3. Definitions and Purpose of the Inspection:** **Home inspection** means a limited visual, functional, non-invasive inspection, conducted for a fee or any other consideration, and performed without moving personal property, furniture, equipment, plants, soil, snow, ice or debris, using the mandatory equipment and including the preparation of a home inspection report of the accessible elements of the following systems and components of a residential building: structural; exterior; roofing; plumbing; electrical; heating; cooling; interior; insulation; and ventilation, fireplaces and solid fuel burning appliances, as described more fully in *N.J.A.C. §13:40-15.16(c)*, but excluding recreational facilities and outbuildings other than garages or carports. The purpose of the home inspection is to identify and report on material defects found in those systems and components. A **material defect** is a condition, or functional aspect, of a structural component or system that is readily ascertainable during a home inspection that substantially affects the value, habitability or safety of the dwelling, but does not include decorative, stylistic, cosmetic, or aesthetic aspects of the system, structure or component. **Accessible** means available for visual inspection without requiring the moving of personal property, dismantling, destructive measures, or any action which will likely involve risk to persons or property.
- 4. Inspection Report:** The Client and the Company agree that the Company, and its inspector(s), will prepare a written home inspection report which shall: (A) disclose those systems and components which are/were designated for inspection pursuant to *N.J.A.C. §13:40-15.16* and are/were present in the Subject Property at the time of the inspection, as well as those systems and components which are/were present at the time of the inspection but are/were not inspected and the reason(s) they were not inspected; (B) describe the systems and components as defined in *N.J.A.C. §13:40-15.16*; (C) state and identify what material defects were found in the previously described systems and components; (D) state the significance of the findings; and (E) provide recommendations regarding the need to repair, replace and/or monitor a system and/or component, or obtain examination and analysis by a qualified professional, tradesperson and/or service technician.
- 5. Inspection Exclusions:** The following services and/or procedures that ARE NOT INCLUDED as part of the inspection:
The Company **IS NOT REQUIRED TO:** (1) enter any area or perform any procedure which is, in the opinion of the inspector, unsafe and likely to be dangerous to the inspector or other persons; (2) enter any area or perform any procedure which will, in the opinion of the inspector, likely damage the Subject Property or its systems or components; (3) enter any area which does not have at least 24 inches of unobstructed vertical clearance and at least 30 inches of unobstructed horizontal clearance; (4) identify concealed conditions and latent defects; (5) determine life expectancy of any system or component, condition and/or operation of any appliance where connecting piping, wiring and/or components are not readily accessible and visible; (6) determine the cause of any condition or deficiency; (7) determine future conditions that may occur including the failure of systems and components including consequential damage; (8) determine the operating costs of systems or components; (9) determine the suitability of the Subject Property for any specialized use; (10) determine compliance with codes, regulations and/or ordinances; (11) determine market value of the Subject Property or its marketability; (12) determine advisability of purchase of the Subject Property; (13) determine the presence of any potentially hazardous plants, animals or diseases or the presence of any suspected hazardous substances or adverse conditions such as mold, fungus, toxins, carcinogens, noise, and contaminants in soil, water, and air; (14) determine the effectiveness of any system installed or method utilized to control or remove suspected hazardous substances; (15) operate any system or component which is shut down or otherwise inoperable; (16) operate any system or component which does not respond to normal operating controls; (17) operate shut-off valves; (18) determine whether water supply and waste disposal systems are public or private; (19) insert any tool, probe or testing device inside electrical panels; (20) dismantle any electrical device or control other than to remove the covers of main and sub panels; (21) walk on unfloored sections of attics; or (22) light pilot flames or ignite or extinguish fires.. 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: asbestos; radon; lead; urea formaldehyde; mold; mildew; fungus; odors; noise; toxic or flammable chemicals; water or air quality; PCBs or other toxins; electromagnetic fields; underground storage tanks; proximity to toxic waste sites or sites being monitored by any state or federal agency; carbon monoxide; 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.

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, ordinance, regulation or code, 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 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. **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 New Jersey 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 ON TIME TO BRING LEGAL ACTION. PLEASE READ CAREFULLY: Any legal action, 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, ordinance, regulation or code, 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 must be brought within one (1) year from the date of the inspection, regardless of when the Client first discovers the facts supporting such possible claims as identified herein. Failure to bring said action within one (1) year of the date of services shall be a complete bar to any such action and a full and complete waiver of any rights, actions or causes of action that may have arisen from the inspection and/or inspection report. This time period may be shorter than otherwise provided by New Jersey law.

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. 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 \$150.00 per hour including time to write report revisions and travel to and from the site from our offices to conduct the return inspection.

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.

Client's Signature: _____ Date: _____

Client's Name: _____

Please Print

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