

PRE-INSPECTION AGREEMENT



Michael J. Oakland, CMI Certified Master Inspector
202 E Forrest Feezor St Vail, AZ 85641
(520) 330-9703 * michael@horizoninspectionsllc.com
AZ State Licensed Home Inspector BTR Cert # 70257

Client(s):

Subject Property:

Scheduled Date/Time:

Expected Attendance: Buyer, Buyer's Agent, Seller, Seller's Agent, Tenant(s), Other
Others attending (specify if applicable):

Client's Email Address:

(Please, type above or write email address clearly)

The Client ____ **Does** ____ **Does Not** want to include inspection of a pool or spa for an additional fee. This optional service, if desired, will be reflected in the total Inspection Fee. ("Terms of Payment" on Pg. 5)

Please, read and sign this Pre-Inspection Agreement, which becomes part of the final Report. Arizona state law requires that a written agreement be signed by the client prior to delivery of a written inspection report. Rather than waiting until the day of the inspection to provide a written Agreement, we prefer to communicate as clearly as possible and as early as possible. It is our goal to provide a copy of the Pre-Inspection Agreement prior to each appointment unless prevented by circumstances from doing so. This document explains the Scope of Inspection, Limits of the Inspection, General Exclusions, Terms and Conditions, Limitations of Liability & Arbitration Agreement, Definitions of Apparent Condition, and Terms of Payment. The Standards of Practice adhered to and reflected herein meet or exceed the state mandated Standards of Professional Practice including...

- Arizona Standards of Professional Practice (Arizona uses ASHI Standards - American Society of Home Inspectors)
<https://btr.az.gov/sites/default/files/Standards%20of%20Professional%20Practice%208-25-15.pdf>
- InterNACHI Standards of Practice (InterNACHI – the International Association of Certified Home Inspectors)
<http://www.nachi.org/sop.htm>

If the inspection includes evaluation of a built-in pool or spa, the standards adhered to are the

- Arizona Standards of Practice for Pools and Spas
<https://btr.az.gov/sites/default/files/documents/files/Pool%20and%20Spa%20Standards%208-25-15.pdf>.

We encourage you to read the standards to your own satisfaction by using the web links above. As our valued Client, you are encouraged to call us for an explanation of this agreement, the standards of practice, or any aspect of the report which you do not fully understand.

PURPOSE & SCOPE OF INSPECTION

The purpose of a home inspection is to assess the condition of a residence at the time of the inspection using visual observations, simple tools and normal homeowner operational controls; and to report observable deficiencies of specific systems and components. A home inspection is *not technically exhaustive* nor is it *numerically complete* and does not identify *concealed conditions* or *latent defects*. Minor and cosmetic defects may be listed in the report for maintenance purposes as a courtesy, but it is not the primary focus, nor will the report identify and list all minor or cosmetic defects. A home inspection report should always be considered supplementary to a Seller's Disclosure Statement whenever provided.

PRE-INSPECTION AGREEMENT

The inspection is intended to evaluate systems and components of the primary dwelling or structure. Included with the inspection is the evaluation of primary garages and carports as well as attached decks, porches, and patios. The inspection does not include evaluation of *detached* structures such as storage sheds or accessory dwellings unless agreed in writing for an additional fee. If present, the inspection may include the evaluation of permanently installed pool or spa by making the appropriate selection herein for an additional fee. The inspection specifically *excludes* above ground (non-permanently installed) pools, spas, and saunas.

Systems and components to be inspected include: grounds, exposed and visible foundation, exterior, structure, roof, electrical, plumbing, attic, interior, bathrooms, kitchen, basement, crawl space, heating and/or cooling system, and garage/carport. Basic operational testing of built-in kitchen appliances is performed (although this goes beyond the AZ SoP). Kitchen appliances that are typically tested include ovens, stoves, cooktops, built-in microwave ovens, exhaust fans/range hoods, garbage disposal units, and dishwashers. Refrigerators and free-standing microwave ovens are excluded. No determination beyond basic operation is made regarding the performance of appliances.

LIMITS OF THE INSPECTION

The inspection is limited to the readily accessible and visible systems, equipment and components of the home. The inspector will not dismantle and/or move equipment, systems, furniture, appliances, floor coverings, finished or fastened surfaces or components, personal property or other items to conduct this inspection or otherwise expose concealed or inaccessible conditions. The inspection will not include destructive testing of any kind.

Typically, the Inspector will *enter* and *traverse* attics and crawlspaces and will *walk* the roof in performance of the inspection unless the inspector believes that doing so may cause damage to the property or presents a safety risk to the Inspector. The Inspector is NOT required to enter or traverse crawl space areas that require excavation, is blocked by personal property or stored items, or have an access opening less than eighteen inches by twenty-four inches or headroom less than eighteen inches beneath floor joists and twelve inches beneath girders (beams).

The Inspector is NOT required to inspect any areas that are not readily accessible due to obstructions, inadequate clearances or have conditions which, in the inspector's opinion, are hazardous to the health and safety of the inspector or will cause damage to components of the home.

It is important to clarify that **THE INSPECTION AND REPORT ARE NOT A GUARANTEE OR WARRANTY**. There may be latent defects that are not visible at the time of the inspection. Adverse conditions may be concealed (intentionally or inadvertently), and conditions may also change – sometimes dramatically – after the inspection is performed. Problems may exist even though no visible signs of such are present or visible during the inspection such as interior wall voids, above ceiling finishes, or under floor coverings. The inspector may elect to use non-invasive tools and technology in a good faith effort to detect problems that may be otherwise difficult or impossible to see with the naked eye. The use of such tools including infrared cameras, moisture meters, or aerial drones are optional and Do Not create an obligation to discover latent defects which are not discoverable without their use. No representation is made as to how long any system or component will function.

GENERAL EXCLUSIONS

This report is NOT intended to:

- 1) Determine the condition of any system or component that is not readily accessible;
- 2) Determine the remaining service life of any system or component;
- 3) Determine the strength, adequacy, effectiveness, or efficiency of any system or component;
- 4) Determine the causes of any condition or deficiency;
- 5) Determine the methods, materials, or cost of corrections;
- 6) Determine future conditions including, but not limited to, failure of systems and components.

The inspection DOES NOT INCLUDE investigation of mold, asbestos, lead paint, water, soil, air quality or other environmental issues. Examples of other conditions excluded above include the presence or absence of environmental hazards such as lead

PRE-INSPECTION AGREEMENT

pipes, lead solder, urea formaldehyde insulation, toxic wastes, rodent/pest infestations, or radon gas. If the inspector observes building materials that are suspected to contain asbestos, or if a mold-like or mildew-like bio growth is observed, the inspector may recommend further evaluation by qualified professionals. It is the responsibility of the client to conduct further inspections by qualified consultants to ascertain the presence of these contaminants and the means of remediation. Any specific observations or concerns related to the above are referred to professionals in their respective fields of expertise.

The report does NOT address the suitability of the structures or property for any specialized use, compliance with codes, regulation, laws, or ordinance. **A standard visual home inspection is NOT a "code inspection."** The inspection does not investigate or reveal whether or not modifications are legally conforming or if permits were properly issued. The Client acknowledges that *home inspectors are considered "generalists" in the field of building science*. They are knowledgeable in a wide range of building practices; however, they are not necessarily experts in any field (unless separately trained and licensed to perform in those fields). For example, licensed home inspectors have a working knowledge of electrical, plumbing, and structural systems, but they are not licensed to function as electricians, plumbers, or structural engineers. Therefore, clients are strongly encouraged to seek advice from various specialists when deemed necessary.

The Client acknowledges and agrees that the inspection and report are limited in nature/scope and that the following are outside the scope of the inspection: ancillary electrical systems including TV cable systems and antennas, intercom systems, lightning protection systems, solar panels and related components, low voltage lighting systems, playground equipment, humidifiers, air purifiers, swamp coolers and related components, septic systems, wells, free-standing heating stoves, water softeners, water purification systems, fire escapes, elevator systems, fire alarm systems, security systems, telephone systems, concealed wiring, and computer network systems. Components that are below ground or concealed inside walls, ceilings, or floors are also outside the scope of inspection as they are visually inaccessible without invasive investigation.

TERMS AND CONDITIONS

The Client is strongly encouraged to accompany the Inspector during the inspection. Doing so provides both the Client and the Inspector with the opportunity to discuss observations, questions, or concerns. Client participation shall be at the Client's risk for personal injury or damage to person or property for any reason or from any cause.

The inspection and report are the intellectual property of Horizon Inspections, LLC and are performed and prepared for the sole, confidential, and exclusive use and possession of the Client(s) except for sharing copies of the report for transaction-related communication as required by law. The limited-use rights to the inspection report are restricted to the Client and are not permitted to be transferred, sold, or assigned to a third party. Unauthorized transfer, sale, or assignment of the report to a third party is considered copyright infringement and exposes the sharer to liability and damages of not less than the inspection fee per occurrence.

- A. The Client recognizes that this report is solely for the benefit of the Client and that any person or party designated by the Client to receive information in this report shall be subject to the TERMS AND CONDITIONS contained herein.
- B. The Client authorizes the Company to provide a copy of the inspection report to their real estate broker unless the Client specifically notifies the Company otherwise in writing.
- C. The Client agrees that any claim arising in connection with this agreement shall be made in writing to the Company at the address above by certified mail, return receipt requested within 14 days after discovery of a problem.
- D. The Client agrees to allow the Company to re-inspect before changing the condition of the problem, except in an emergency. Failure to allow the Company the opportunity to re-inspect, as required above, shall constitute a waiver of any and all claims the Client may have against the Company.

LIMITATIONS OF LIABILITY & ARBITRATION AGREEMENT

It is understood and agreed that the Company, Horizon Inspections LLC, is not an insurer and that the inspection and report are **not intended to be or construed as a guarantee or warranty** of the adequacy, performance or condition of any structure, item, or system at the property address. The Client hereby releases and exempts the Company and its agents and employees of and

PRE-INSPECTION AGREEMENT

from all liability and responsibility for the cost of repairing or replacing any unreported defect or deficiency and for any consequential damage, property damage, or personal injury of any nature.

The Client agrees that, to the extent allowed by law, if the Company or Inspector(s) are found to be negligent or careless in performing the home inspection and/or preparing the home inspection report, **LIABILITY IS LIMITED TO THE FEE PAID FOR THE INSPECTION SERVICE**. Furthermore, the Client agrees to pay all attorney fees or other professional consultation fees should the Client pursue a claim against the Company and fail to prevail.

Any disputes, controversy, interpretation or claim including claims for, but not limited to, breach of contract, and form of negligence, fraud or misrepresentation arising out of, from, or related to this contract or arising out of, from or related to the inspection or inspection report shall be submitted first to a Non-Binding Mediation conference and absent a voluntary settlement through a Non-Binding Mediation to be followed by final and Binding Arbitration, if necessary, as conducted by Construction Dispute Resolution Services, LLC or Resolute Systems, Inc. utilizing their respective Rules and Procedures. If you would like to utilize the Mediation or Arbitration services of another dispute resolution provider other than one of those so stated please submit your recommendation to us for our consideration. If the dispute is submitted to Binding Arbitration, the decision of the Arbitrator appointed there under shall be final and binding and the enforcement of the Arbitration Award may be entered in any Court or administrative tribunal having jurisdiction thereof.

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 MEDIATION AND BINDING ARBITRATION.

DEFINITIONS OF APPARENT CONDITION

Systems and components are rated in the report as follows (or any combination of these) with additional comments following each entry:

"SATISFACTORY" – Indicates the system or component appears to be serviceable and is functioning consistent with its original purpose but may show signs of normal wear for its age.

"MAINTENANCE" – Indicates that a component or system requires minor or routine maintenance to prolong or restore proper function. This could be as simple as clearing a slow sink drain, replacing filters, or maintaining caulk and paint.

"REPAIR/REPLACE" – Indicates that a system or component requires more substantial repairs or replacement to restore proper function or prevent further damage.

"RECOMMENDED UPGRADE" – Indicates optional modifications or improvements; these are often for enhanced safety or reflect desirable changes in building practices

"MONITOR" – Indicates that a system or component is functional, but conditions may exist that warrant ongoing monitoring. For example, an appliance may be functioning beyond its expected service life and need to be replaced soon. Similarly, an adverse condition may be suspected which may require more time than is practical on-site to determine such as the effectiveness of a repair or other pattern of performance.

"FURTHER EVALUATION" – Indicates that further evaluation is recommended by a properly licensed professional for the system or component in question. This often requires expertise by a licensed specialist in a particular field of building science such as an electrician, roofer, plumber, structural engineer, HVAC technician, pest control operator, general contractor, or other specialist. Sometimes it could be as simple as replacing bad light bulbs and re-testing a light fixture.

"SAFETY CONCERN" – Indicates that a system or component is considered significantly deficient or poses a potential health risk. For example, the lack of functional smoke detectors or the presence of a trip hazard.

"HAZARDOUS CONDITION" – Indicates that a dangerous or potentially life-threatening condition exists that requires immediate attention (for example: an exposed "live" bus bar at the electrical panel, a gas leak, or a broken/missing guard rail on a high deck).

PRE-INSPECTION AGREEMENT

TERMS OF PAYMENT

Payment of the full Inspection Fee of \$ _____ U.S. Dollars is *due upon completion* of the on-site inspection and *prior to receiving the written report*. Payments are typically collected on-site at the time of the inspection in the form of check, cash, or credit/debit card. Credit/debit payment can also be arranged to be paid over the phone or online via electronic invoice. Payment of the inspection fee entitles the Client to one original inspection report provided electronically via email. A single, full color hardcopy can be available upon request for a modest fee to cover costs of printing, mailing, and handling as deemed appropriate (a fee of \$25 for a report of average length is a reasonable estimate). A fee of \$25.00 will be added for checks received that are returned NSF (non-sufficient funds). Payments that are received more than 5 business days after they are due are considered past due and are assessed a \$25.00 late fee. Unpaid past due balances may be charged 14% monthly interest which may be waived at the company's sole discretion. If Client is a corporation, LLC, or similar entity, the person signing this Agreement on behalf of such entity does personally guaranty payment of the fee by the entity. The Client agrees to pay all legal and time expenses incurred in collecting due payments, including attorney's fees, if any.

ACKNOWLEDGEMENT

I, the undersigned Client(s) or authorized representative(s), have carefully read and understand this Inspection Agreement and agree to the limitations, exclusions, and terms described herein and acknowledge receipt of a copy of this Agreement.

Client Signature: _____ Date: _____

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