

The Smart Inspector PLLC

RESIDENTIAL INSPECTION AGREEMENT

NOTE – THIS IS A LEGAL CONTRACT THAT DETAILS THE RIGHTS AND OBLIGATIONS OF THE PARTIES. PLEASE READ ALL PAGES CAREFULLY

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

This Agreement dated:{{INSPECTION_DATE}}

is between:

Client:{{CLIENT_NAME}}

and

Inspector: The Smart Inspector PLLC

For an inspection of the following Property:

Common Street Address:{{ADDRESS}}

Fee:{{PRICE}}

SCOPE OF SERVICES PROVIDED

SCOPE OF THE INSPECTION: A home inspection is a noninvasive, visual observation and operation of the accessible systems and components of real property, including buildings and other improvements. Its purpose is a) to identify conditions that, in the professional opinion of the Inspector, are significantly deficient or b) to identify systems and components that are at the end of their service lives.

The Inspection is strictly limited to the examination of readily accessible, installed systems and components of homes by using normal operating controls and opening readily operable access panels, where applicable, of the following components of the Property: structure, foundation, exterior, roof, attic, major mechanical systems (heating, air conditioning, electrical, and plumbing), built-in appliances, and interior (floors, ceilings, walls, windows, and doors). All components will be inspected pursuant to the Standards of Practice set forth for Home Inspectors by the Texas Real Estate Commission as contained in the Texas Administrative Code, §§535.227 through 535.233. This inspection is limited to only those systems or components, as set forth in these Standards of Practice, as agreed upon by the client and the inspector, or as expressly excluded in writing. Where multiple instances of the same component exist, a representative number shall be inspected. The observations of conditions are limited to

those areas of the home which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the Property or personal injury to the Inspector. Any additional services outside the list of components in this contract or in those rules must be specifically agreed to in writing between the Inspector and the Client.

The Inspector will prepare and provide the Client with a written report for the sole use and benefit of the Client. The written report shall document any deficiencies discovered in the Property's systems and components. A deficiency is a condition that, in the reasonable judgement of the Inspector, is not functioning properly or is unsafe. However, the fact that a system or component is near, at, or beyond the end of its normal service life is not, in itself, a deficiency in the system or component.

Nothing in the report and no opinion of the Inspector should be construed as advice to the Client to purchase, or not to purchase, the Property, or serve as a prediction of future conditions or the value of the Property. Further, any descriptions of deficiencies of the Property should not be interpreted as estimates for the costs of repairs to any system or component of the Property.

CLIENT'S DUTY: The Client understands and accepts that the Inspection and report, in accordance with this Agreement, are intended to reduce, but cannot eliminate, uncertainty regarding the condition of the Property. The Client is responsible for reviewing the permit history and for researching any legal actions or insurance claims involving the Property.

The Client agrees to read the entire written report when it is received and to promptly contact the Inspector with any questions or concerns regarding the Inspection or written report. The written report shall be the exclusive findings of the Inspector. Verbal representations not recorded within the Inspection report are not part of the Inspection.

The Client acknowledges that the Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information on the condition of the Property. Should the Inspector's report reveal any additional conditions that require further investigation or repair, the Client agrees that any further evaluation, inspection, and repair work needs to be provided by competent and qualified professionals who are licensed and/or certified to perform the work.

In the event the Client becomes aware of a reportable condition not contained in the written inspection report, the Client agrees to promptly notify the Inspector and allow the Inspector and/or the Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. If the Client fails to so notify the Inspector and fails to allow an additional inspection, then any costs of such

repairs, alterations or replacements will be entirely at the Client's cost without recourse against the Inspector.

LATENT DEFECTS: The Client agrees that the Inspection is not a technically exhaustive investigation or evaluation of every aspect of the Property. The Client acknowledges and agrees that the Inspection and the written report will not reveal every existing deficiency and future condition affecting the Property. The Inspector is not responsible for the non-discovery of any latent defects of the Property or any problems that may occur or become evident after the date of the Inspection. Latent defects of the Property include, but are not limited to: cracking, leaking, surface dislocations, or landslides resulting from, without limitation to, water leaks, land subsidence, or other geological problems. The Inspector is not responsible for any defects that may manifest themselves in the future, any structural failures that may occur in the future, or damages that result from future repairs.

COMPLIANCE WITH BUILDING CODES: Consistent with the scope of the Inspection, as provided in this Agreement, the Inspector will identify items that may present a health or safety issue. However, the Inspector will not provide an opinion on compliance with any particular building code.

INSURABILITY: The Client understands that the Inspection will not determine the insurability of the Property. Insurance companies have different underwriting criteria, and the Inspector cannot be expected to determine how a particular system or component may affect insurability.

ENVIRONMENTAL AND HEALTH CONDITIONS: The Client agrees that the Inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding the Property, including, but not limited to the presence of: asbestos, radon, lead, or urea-formaldehyde; wood destroying organisms, fungi, molds, mildew, feces, urine, vermin, pests, or any animal or insect; drywall that may have been manufactured with contaminated materials (including carbon disulfide, carbonyl sulfide and hydrogen sulfide), polychlorinated biphenyls (PCBs), or other toxic, reactive, combustible, or corrosive contaminants, materials; or substances in the water, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

If the Client wishes to have an inspection for any specific health or environmental condition, that must be covered by a separate addendum to this Agreement.

In addition to the above limitations on the scope of services, the Inspection will not include any engineering or architectural analysis. The report will not offer any opinion about the adequacy of the structural systems and components of the Property.

RE-INSPECTION OF COMPONENTS: In the event that the Inspector is asked by the Client to re-inspect a component or condition that has been repaired, the Inspector's scope of re-inspection will be limited to the components or conditions identified. The Inspector will not be responsible for any changed conditions in other components or conditions since the date of the original Inspection. Any re-inspection of repaired components or conditions will not determine if the repair is adequate, proper, or compliant with current building codes. Any re-inspection will only determine if visually identifiable deficiencies still exist.

LIMITATION OF LIABILITY

THE FOLLOWING CLAUSE LIMITS THE LIABILITY OF THE INSPECTOR – PLEASE READ CAREFULLY

THE CLIENT AGREES AND UNDERSTANDS THAT THE INSPECTOR IS NOT AN INSURER AND IS NOT WARRANTING OR GUARANTEEING THE ADEQUACY, PERFORMANCE, OR LIFE EXPECTANCY OF ANY STRUCTURE, ITEM, COMPONENT, OR SYSTEM OF THE PROPERTY. THE CLIENT FURTHER AGREES THAT, IF THE INSPECTOR OR ANY OF THE INSPECTOR'S AGENTS, EMPLOYEES, SUBCONTRACTORS, OFFICERS, OR SHAREHOLDERS ARE FOUND LIABLE FOR ANY LOSS OR DAMAGE DUE TO NEGLIGENCE OR THE FAILURE TO PERFORM THE INSPECTOR'S OBLIGATIONS IN THIS AGREEMENT, INCLUDING THE IMPROPER OR NEGLIGENT PERFORMANCE OF THE INSPECTION OR THE IMPROPER OR NEGLIGENT REPORTING OF CONDITIONS OF THE PROPERTY, THE INSPECTOR'S MAXIMUM LIABILITY SHALL BE LIMITED TO TWICE THE AMOUNT OF THE PAID INSPECTION FEE. THIS LIMITATION SHALL NOT APPLY TO ANY DAMAGES SPECIFICALLY ALLOWED BY STATUTE.

THIS LIMITATION OF LIABILITY SPECIFICALLY COVERS LIABILITY FOR: DAMAGED PROPERTY, LOSS OF USE OF THE PROPERTY, LOST PROFITS, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, GOVERNMENTAL FINES AND CHARGES, PUNITIVE DAMAGES, ATTORNEY'S FEES, AND COURT COSTS.

AT THE CLIENT'S OPTION, A COMPREHENSIVE INSPECTION WITHOUT LIMITATION OF LIABILITY IS AVAILABLE. A COMPREHENSIVE INSPECTION INCLUDES A CONTRACTOR, ENGINEER, AND ARCHITECT REVIEWING THE PROPERTY FOR A MINIMUM FEE OF \$7,500 (REQUIRES QUOTE AND ADDITIONAL SCHEDULING). A COMPREHENSIVE INSPECTION REQUIRES A SEPARATE CONTRACT.

THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO ANY DAMAGES CAUSED BY THE GROSS NEGLIGENCE OF THE INSPECTOR IN THE PERFORMANCE OF THE INSPECTOR'S OBLIGATIONS IN THIS AGREEMENT.

RESOLUTION OF DISPUTES

Any controversy or claim arising out of or relating to this Agreement shall be resolved through Small Claims Court (or similar court of limited monetary jurisdiction) in the jurisdiction applicable to this Agreement. In the event that the amount in dispute exceeds the jurisdiction of the applicable Small Claims Court, the dispute shall be settled by binding arbitration administered by Construction Dispute Resolution Services, or if unavailable, Resolute Systems, before a single arbitrator using its Commercial Arbitration Rules. The arbitrator shall have at least three years of knowledge and experience in the home inspection industry or similar knowledge and experience in construction. Each party agrees to pay its own costs of arbitration.

Any legal action or proceeding shall be brought in the County in which the Property is located.

ENFORCEMENT FEES AND COSTS

Any party failing to follow the RESOLUTION OF DISPUTES process identified above, shall be liable for all fees and costs associated with compelling or enforcing compliance with the RESOLUTION OF DISPUTES process.

TIME TO INITIATE ACTION

Any action regarding or arising from the condition of the Property and the Inspection and/or the written report must be filed and initiated by the Client no later than two (2) years following the date of the Inspection. Otherwise, the claim will be barred. If the matter is in arbitration, the arbitrator will be bound by the terms of this paragraph as a limitation on the arbitrator's ability to render an award in favor of the Client.

NO WARRANTIES OR GUARANTEES

The Inspection and the written report are not intended, nor shall they be used or treated by the Client or anyone else, as a guarantee or warranty expressed or implied, regarding the adequacy, performance, or condition of any aspect of the Property. The Client acknowledges and agrees that the Inspector is not an insurer of any inspected or non-inspected conditions of the Property.

RELIANCE BY THIRD PARTIES

The Client agrees and understands that the Inspection report provided to the Client under this Agreement is solely for the Client's exclusive use in evaluating the physical

condition of the property. No representation is made by the Inspector as to the value of the Property.

If anyone other than the Client relies upon the inspection report, that person agrees to be bound by all of the terms and conditions in this Agreement.

ENTIRE AGREEMENT AND SEVERABILITY OF PROVISIONS

This Agreement contains the entire Agreement between the Client and the Inspector. This document supersedes any and all representations, both oral and written, among the parties. This Agreement may be modified, altered, or amended only in writing and having been signed by both the parties. Any provision of this Agreement which proves to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Agreement, and all such other provisions shall remain in full force and effect.

SCHEDULE OF PRICING

CLIENT agrees to pay the fees NO LESS than the pricing structure noted on www.thesmartinspector.com. If CLIENT provides INSPECTOR with credit card information, this agreement gives permission to INSPECTOR to process the card for the agreed fee plus a 3% convenience fee. Payment is due at the time of inspection and prior to REPORT delivery, unless otherwise agreed. Deferred payments are subject to a \$30 handling fee. The report will not be sent until the inspection(s) are paid for in full. Current estimates of service are as follows;

Fees per square feet and age (Initial estimates):

		2006↓	1996↓	1986↓	1976↓	1966↓
House	< 20 years	20-29 years	30-39 years	40-49 years	50+ years	60+ years
1499 sqft or less	\$440	\$440	\$455	\$485	\$505	\$520
1500 - 1999 sqft	\$455	\$455	\$480	\$505	\$530	\$550
2000 - 2499 sqft	\$480	\$495	\$515	\$540	\$565	\$585
2500 - 2999 sqft	\$530	\$555	\$580	\$605	\$630	\$650
3000 - 3499 sqft	\$605	\$630	\$655	\$680	\$705	\$725
3500 - 3999 sqft	\$690	\$755	\$780	\$805	\$830	\$850
4000 - 4499 sqft	\$810	\$835	\$860	\$875	\$920	\$975
4500 - 4999 sqft	\$915	\$940	\$965	\$990	\$1,015	\$1,165
5000 - 5499 sqft	\$1,065	\$1,090	\$1,115	\$1,140	\$1,165	\$1,265
5500 - 5999 sqft	\$1,115	\$1,140	\$1,165	\$1,190	\$1,215	\$1,365
6000 - 6499 sqft	\$1,265	\$1,290	\$1,315	\$1,340	\$1,365	\$1,415
6500 - 6999 sqft	\$1,315	\$1,340	\$1,365	\$1,390	\$1,415	\$1,485
7000 - 7499 sqft	\$1,485	\$1,610	\$1,635	\$1,660	\$1,685	\$1,715
7500 - 7999 sqft	\$1,615	\$1,640	\$1,665	\$1,690	\$1,715	\$1,815

8000+ sqft	\$1,715	\$1,740	\$1,765	\$1,790	\$1,815	\$1,950
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Fees for Pre-Drywall Inspections per square foot (initial estimate):

Pre-Drywall Inspections	\$
1499 sqft or less	\$350
1500 - 1999 sqft	\$350
2000 - 2499 sqft	\$375
2500 - 2999 sqft	\$430
3000 - 3499 sqft	\$480
3500 - 3999 sqft	\$590
4000 - 4499 sqft	\$690
4500 - 4999 sqft	\$760
5000 - 5499 sqft	\$850
5500 - 5999 sqft	\$940
6000 - 6499 sqft	\$1,035
6500 - 6999 sqft	\$1,115
7000 - 7499 sqft	\$1,285
7500 - 7999 sqft	\$1,415
8000+ sqft	\$1,515

Fees for Pre-Pour Foundation Inspections per square foot (initial estimate):

Pre-Pour Inspections	\$
1499 sqft or less	\$325
1500 - 1999 sqft	\$345
2000 - 2499 sqft	\$365
2500 - 2999 sqft	\$410
3000 - 3499 sqft	\$440
3500 - 3999 sqft	\$555
4000 - 4499 sqft	\$590
4500 - 4999 sqft	\$660
5000 - 5499 sqft	\$730
5500 - 5999 sqft	\$810
6000 - 6499 sqft	\$935
6500 - 6999 sqft	\$1,015
7000 - 7499 sqft	\$1,165
7500 - 7999 sqft	\$1,215
8000+ sqft	\$1,315

Additional fees per house requirements

- a) Sprinkler systems inspection = +\$50 (Initial Estimate),
- b) Pool Inspection = +\$100 (Initial Estimate),
- c) Foundation Level Inspection = +\$100 (Initial Estimate),
- d) WDI Inspection, performed by a 3rd party = +\$135 (Initial Estimate)
- e) Sewer Scope Inspection = +\$300 (Initial Estimate)
- f) Additional Detached Structures = +\$125+ per structure < 500sqft (Initial Estimate)
- g) Re-inspection of Previous Findings = +\$225 (Initial Estimate)
- h) Single Component Inspection = +\$175 (Initial Estimate)
- i) Multiple Unit Complex = +\$50 per unit (Initial Estimate)
- j) Return Visit to Finish Inspection = +\$175 (Initial Estimate)
- k) Extended Drive = +\$50 (Initial Estimate)
- l) Same Day Inspection (if available) = +\$50 (Initial Estimate)

POOL AND SPA INSPECTION ADDENDUM

This Addendum is an attachment to the Residential Inspection Agreement dated _____. All of the provisions of the Residential Inspection Agreement apply to the additional services listed in this Addendum.

SCOPE OF THE ADDITIONAL INSPECTION: The Client understands and accepts that an inspection and report in accordance with this Addendum is intended to reduce, but cannot eliminate, the uncertainty regarding the condition of the pool/spa systems and components or their safe usage.

The following categories of items will be inspected according to the International Association of Certified Home Inspectors' (InterNACHI) Standards of Practice for inspecting Pools & Spas:

Electrical:

Items to be inspected: The Inspector will visually inspect pool/spa electrical panels, disconnects, switches, outlets, and pool/spa lighting, and they will test and operate GFCI test buttons. Unless prevented from doing so by the condition of the pool and spa, the Inspector will operate any electrical components to determine if they are operational.

Items excluded from Inspection: The Inspector is not required to remove cover panels of any electrical components or to determine that the electrical system is free of defects that could result in shock or electrocution.

Fencing and Barriers:

Items to be inspected: The Inspector will visually inspect fencing and other barrier components which restrict access to the pool/spa.

Items excluded from Inspection: The Inspector is not required to inspect pool or spa covers or operate alarms or safety devices; evaluate adequacy of barrier components; nor determine if any of the foregoing items comply with building codes, regulations, or other guidelines.

Mechanical Components:

Items to be inspected: The Inspector will visually inspect pumps and pump motors; readily accessible associated piping systems; filtration systems; and skimmers and drains.

Items excluded from Inspection: The Inspector is not required to evaluate or operate backflow prevention devices or to backflush any components; operate any valves; inspect chemical injection systems or conditioning devices and related components; inspect or operate automatic water level refill systems or components; determine if circulation equipment is properly designed and sized; or operate any pool heating components to determine if they are operational.

GENERAL LIMITATIONS, EXCEPTIONS, AND EXCLUSIONS TO INSPECTORS' OBLIGATIONS:

The following are excluded from the scope of the pool/spa inspection:

Chemical analysis of water or water testing; pool houses or equipment sheds; diving or jump boards, ladders, slides, or any other recreational components; fountains, waterfalls, or any other non-essential pool/spa components or accessories; valves, air switches, jets, or pool cleaning equipment, aerators; deficiencies which fall within the scope of routine maintenance; and the inspection or review of any system displays or printouts.

The Inspector is not required to and cannot determine if pool/spa system, vessel, or components are free of leakage.

The Client understands and accepts that an inspection and report in accordance with this Addendum is intended to reduce, but cannot eliminate, the uncertainty regarding the condition of the pool/spa systems and components and their safe usage.

THE CLIENT UNDERSTANDS AND AGREES THAT there are safety risks, including the risk of death, inherent with a pool or spa. SAFETY ISSUES ARE NOT INCLUDED IN THE SCOPE OF THIS POOL/SPA INSPECTION. THE Inspector is not liable for injury or death related to the pool or spa. Furthermore, the Inspector is not liable for property damage to this property, or that of any neighboring property, due to the failure of any component of the pool or spa.

FEE: The fee for the services under this Addendum is \$100. This is in addition to our fee for the home inspection.

SEWER SCOPE INSPECTION ADDENDUM

This Addendum is an attachment to the Residential Inspection Agreement dated _____. All of the provisions of the Residential Inspection Agreement apply to the additional services listed in this Addendum.

SCOPE OF THE ADDITIONAL INSPECTION:

The Inspector will perform an inspection of the main sewer line in order to evaluate its condition and to identify areas of concern that may need further evaluation, immediate repair, or clearing of debris.

This inspection will include accessing the main sewer line and inserting a camera device or scope into it to evaluate it. The inspection process will be recorded, and the Inspector will provide the Client with an electronic copy of the recording and of the inspection report.

The Inspector will prepare a written sewer scope inspection report based on the visual observations and the data collected from the inspection camera equipment. The inspection and evaluation are not intended to be technically exhaustive. This inspection does not consist of determining the design of the sewer lateral line or the plumbing system, which could pose a potential sewer backup. The sewer scope inspection is not a warranty or guarantee that the system will perform adequately in the future as conditions can change. The sewer scope inspection report will contain a summary of observations and unbiased opinions based on the experience of the Inspector. The inspection is not considered completed until the written sewer scope inspection report is delivered.

The sewer scope inspection report will outline and define the portions of the sewer line that were inspected as well as any areas that were not inspected and the reason(s) they were not inspected. The report will also have general statements of what is commonly included and excluded during such an inspection.

FEE: The fee for the services under this Addendum is \$300. This is in addition to our fee for the home inspection.

You may not assign this Agreement. If there is more than one Client, you are signing on behalf of all of them and you represent that you are authorized to do so for all Clients and/or intended beneficiaries. The provisions of this Agreement will be binding upon any party that takes title to the Property with the Client or claims title to the Property through the Client.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

Client:{{REQUIRED_CUSTOMER_INITIALS}}

Dated:

{{CURRENT_DATE}}_____

Inspector:

The Smart Inspector PLLC