

Property Engineers LLC

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COMMERCIAL BUILDING INSPECTION AGREEMENT

Property: _____

THIS AGREEMENT made this _____ day of _____, 201__, by and between

Christopher Daggy/Member/Property Engineers LLC (hereinafter "INSPECTOR") and _____ (hereinafter "CLIENT"), collectively referred to herein as "the parties." The parties understand and voluntarily agree as follows:

1. INSPECTOR agrees to perform a visual inspection of the commercial building, and to provide CLIENT with a written inspection report identifying the defects that INSPECTOR both observed and deemed material. Where accessible, INSPECTOR will view a representative sample of the building components covered under this inspection to be used in the preparation of the written inspection report. INSPECTOR will not test or otherwise analyze elements of the commercial building where destruction or dismantling of the particular element is required. The primary purpose of the inspection is to enhance the CLIENT'S information and knowledge about the commercial building to improve decision-making for buying, selling, maintaining or improving the property. As it may relate to this commercial building inspection, INSPECTOR may offer comments as a courtesy, but these comments will not comprise the bargained-for report. The report is only supplementary to the seller's disclosures.

2. Unless otherwise inconsistent with this Agreement or not possible, INSPECTOR agrees to perform the inspection in accordance with InterNACHI's *International Standards of Practice for Inspecting Commercial Properties*. Although INSPECTOR agrees to follow these Standards, CLIENT understands that these Standards contain certain limitations, exceptions and exclusions. CLIENT also understands that InterNACHI is not a party to this Agreement, and that InterNACHI has no control over INSPECTOR or representations made by INSPECTOR, and does not supervise INSPECTOR. As noted above, this commercial building inspection is visual only. In certain instances, INSPECTOR may engage or deploy certain mechanical or other systems in the commercial building for purposes of preparing the written inspection report. However, it is not possible to engage or deploy many systems in a commercial building, including fire-suppression systems, and, thus, determination of whether such systems are

properly functioning or otherwise in need of repair, replacement or maintenance is beyond the scope of this basic commercial building inspection. The SCOPE OF WORK outlining the specific elements of the commercial building to be inspected by INSPECTOR under this Agreement is attached hereto and incorporated by reference as EXHIBIT A. Where noted in the written inspection report, INSPECTOR may recommend, and CLIENT acknowledges that such may be necessary, that CLIENT hire a professional engineer, or other qualified and licensed professional, to provide an independent inspection and analysis of certain elements that may be beyond the scope of this basic commercial building inspection. Unless otherwise indicated below, CLIENT understands that this basic commercial building inspection EXCLUDES compliance with applicable building codes, or testing for the presence of potential dangers arising from asbestos, lead paint, formaldehyde, molds, radon gas, soil contamination, and other environmental hazards or violations.

3. The inspection and report are performed and prepared for the use of CLIENT, who gives INSPECTOR permission to discuss observations with real estate agents, owners, repair persons, and other interested parties. INSPECTOR accepts no responsibility for use or misinterpretation by third parties. INSPECTOR'S inspection of the property and the accompanying report are in no way intended to be a guarantee or warranty, express or implied, regarding the future use, operability, habitability or suitability of the commercial building or its components. Any and all warranties, express or implied, including warranties of merchantability and fitness for a particular purpose, are expressly excluded by this Agreement to the fullest extent allowed by law. If any structure or portion of any structure that is to be inspected pursuant to this Agreement is a log home, log structure or similar log construction, CLIENT understands that such structures have unique characteristics that make it impossible for an inspector to inspect and evaluate them by an exterior visual inspection. Therefore, the scope of the inspection to be performed pursuant to this Agreement does not include decay of the interior of logs in log walls, log foundations or roofs, or similar defects that are not visible by an exterior visual inspection.

4. INSPECTOR assumes no liability for the cost of repair or replacement of unreported defects or deficiencies, either current or arising in the future. CLIENT acknowledges that the liability of INSPECTOR, its agents and employees, for claims or damages, costs of defense or suit, attorney's fees and expenses, and payments arising out of or related to the INSPECTOR'S negligence or breach of any obligation under this Agreement, including errors and omissions in the inspection or the report, shall be limited to liquidated damages in an amount equal to the fee paid to the INSPECTOR, and this liability shall be exclusive. CLIENT waives any claim for consequential, exemplary, special or incidental damages, or for the loss of the use of the commercial building, even if the CLIENT has been advised of the possibility of such damages. The parties acknowledge that the liquidated damages are not intended as a penalty, but are intended: (i) to reflect the fact that actual damages may be difficult and impractical to ascertain; (ii) to allocate risk among the INSPECTOR and CLIENT; and (iii) to enable the INSPECTOR to perform the inspection at the stated fee.

5. INSPECTOR does not perform engineering, architectural, plumbing, or any other job function requiring an occupational license in the jurisdiction where the inspection is taking place, unless the inspector holds a valid occupational license, in which case s/he may inform the CLIENT that s/he is so licensed, and is therefore qualified to go beyond this basic commercial building

inspection and, for additional fee, perform additional inspections beyond those within the scope of the basic commercial building inspection. Any agreement for such additional inspections shall be in a separate writing, or noted here:

6. In the event of a claim against INSPECTOR, CLIENT agrees to supply INSPECTOR with the following: (1) written notification of adverse conditions within 14 days of discovery; and (2) access to the premises. Failure to comply with the above conditions will release INSPECTOR and its agents from any and all obligations or liability of any kind. Additionally, if there is a dispute between INSPECTOR and any consultant or third party arising out of INSPECTOR'S inspection, CLIENT agrees to provide INSPECTOR with reasonable access to the premises upon request by the INSPECTOR.

7. The parties agree that any litigation arising out of this Agreement shall be filed only in the Court having jurisdiction in the County in which the INSPECTOR has its principal place of business. In the event that CLIENT fails to prove any adverse claims against INSPECTOR in a court of law, CLIENT agrees to pay all legal costs, expenses and fees of INSPECTOR in defending said claims. The financial liability for the INSPECTOR is limited to the inspection fee.

8. If any court declares any provision of this Agreement invalid or unenforceable, the remaining provisions will remain in effect. This Agreement represents the entire agreement between the parties. All prior communications are merged into this Agreement, and there are no terms or conditions other than those set forth herein. No statement or promise of INSPECTOR or its agents shall be binding unless reduced to writing and signed by INSPECTOR. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties. This Agreement shall be binding upon and enforceable by the parties and their heirs, executors, administrators, successors and assignees. CLIENT shall have no cause of action against INSPECTOR after one year from the date of the inspection.

9. Payment of the fee to INSPECTOR (less any deposit noted above) is due upon completion of the on-site, walk-through survey portion of the inspection. The CLIENT agrees to pay all legal and time expenses incurred in collecting due payments, including attorney's fees, if any. If CLIENT is a corporation, LLC, or similar entity, the person signing this Agreement on behalf of such entity does personally guarantee payment of the fee by the entity. If CLIENT requests a re-inspection, the re-inspection is also subject to all the terms and conditions set forth in this Agreement.

10. Fee for the commercial inspection is \$_____. INSPECTOR acknowledges receiving a deposit of \$_____ from CLIENT.

11. Items specifically excluded from inspection:

- Fire alarm systems
- Fire suppression systems

- Burglar alarm systems
- Testing for lead based paint
- Testing for asbestos
- Research of municipal records
- Mold testing –air and surface
- Interior of chimney(s)
- Additional items may be noted in the report.

CLIENT HAS CAREFULLY READ THE FOREGOING, AGREES TO IT, AND
ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.

_____/____/_____
Christopher J Daggy /Member/Property Engineers LLC FOR INSPECTOR

_____/____/_____

CLIENT OR REPRESENTATIVE