

Homspect Inspections, LLC Service Agreement

This Service Agreement (“Agreement”) is made by and between the below identified individual or individuals (“Client”), jointly and severally, and HOMESPECT INSPECTIONS, LLC (“Homespect”), a Michigan limited company with its registered agent’s address at 6083 Fairgrove Street, Kalamazoo, Michigan 49009 (hereinafter collectively referred to as the “Parties”).

Client Information:

Name:	Name:
Address:	Address:
City, State, Zip:	City, State, Zip:
Phone:	Phone:
E-mail:	E-mail:

Subject Property Address:

Address:
City, State, Zip:

Release to Third Parties:

Client hereby instructs Homespect to release the inspection report(s) to the following parties (such as a real estate agent or attorney):

Name:	Name:
Address:	Address:
City, State, Zip:	City, State, Zip:
Phone:	Phone:

Services and Products:

Homespect reserves the right to amend the services contemplated by this Agreement to reflect the updated services, products, and required payment for services rendered.

Payment Schedule: Payment in full is expected at the time service is provided by Homespect.

Payment Terms: Homespect accepts cash or personal check. If a personal check bounces, Client will incur a \$60.00 bounced check fee.

Homespect agrees to conduct an inspection for the purpose of informing Client of major deficiencies in the condition of the subject property, subject to the terms of this Agreement. The inspection and report are performed and prepared for the sole, confidential, and exclusive use and possession of Client.

It is understood and agreed that this inspection will be of readily accessible areas of the building and is limited to visual observations of apparent conditions existing at the time of the inspection only. Latent and concealed defects and deficiencies are excluded from the inspection; equipment, items and systems will not be dismantled.

Maintenance and other items may be discussed, but they are not a part of the inspection. The report is not a compliance inspection or certification for past or present governmental codes or regulations of any kind.

Client authorizes Homespect to provide the following inspection services at the above identified subject property, and agrees to pay the price stated to Homespect 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 \$ _____
 - () _____ \$ _____
 - () _____ \$ _____
- TOTAL:** \$ _____

Terms and Conditions

1. *Price Quotes.* Prices per item are quoted based on the order included in the Proposal attached as Exhibit A. If items are deleted or added, prices per item are subject to change to reflect the new cost and a new Proposal will be provided.
2. *Delays and losses.* Homespect shall not be liable for any delay or failure to perform all or any part of this Agreement for any event that occurs outside of Homespect’s control, including, but not limited to:
 - A. Inspection cancellation, delay, failure, damage, loss, cost, diminished quality of service, or expense that results from weather; or
 - B. Inspection cancellation, delay, failure, damage, loss, cost, diminished quality of service, or expense that is the proximate result of any fire, flood, act of God, revolution, riot, civil disorder, vandalism, act of enemies, terrorism, or labor dispute; acts or omissions of Client.

If any of the above described events occur, Homespect reserves the right to keep all funds paid by Client.

3. *Limitation of liability.* Client understands and agrees that Homespect is not an insurer and that the payment for the inspection and report is based solely on the value of the service provided by Homespect in the performance of the limited visual inspection and production of the report as described herein. Thus, Client agrees that the sole and exclusive remedy for any claims against Homespect, including claims for, but not limited to, breach of contract, negligence, fraud or misrepresentation, and/or any violation of any law, statute, regulation, ordinance, or any other theory of liability arising out of, from or related to this Agreement or arising out of, from or related to the inspection or the report, is limited to the refund of funds paid by Client. In the event of default on part of Homespect, including but not limited to, equipment failure, personal injury, illness, or errors of any kind, Homespect’s liability is limited to a refund of funds paid by Client at the time of default. Homespect’s liability, as a result of any claims, delays, liability, loss, and/or expense asserted or incurred as a result of default, negligence, and/or wrongdoing of Homespect, its agents, employees, subcontractors, supplies, or persons acting under any of them, is limited to the amount of funds paid by Client. Homespect is not liable for any defects, claims, liability, loss, and/or expense asserted or incurred as a result of default, negligence, and/or wrongdoing of Client or Client’s agent.
4. *Third party liability.* Client shall indemnify, defend, and hold Homespect, its employees, officers, directors, agents, employees, subcontractors, supplies, or persons acting under any of them harmless from any loss, cost, expense, or damage claimed by third parties for property damage and/or bodily injury, including death, to the proportion extent such loss, cost, expense, or damage arises from the negligence or willful misconduct of anyone other than Homespect.
5. *Client Inspection Attendance; Permission to Access Subject Property.* 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. Client further acknowledges that such participation is at Client's own risk. Client warrants that permission has been secured for the Homespect to enter and inspect the subject property.

6. *Standards of Practice.* The scope of the inspection is defined and limited by the standards, limitations, exceptions and exclusions as contained in the Standards of Practice and Code of Ethics of the American Society of Home Inspectors, Inc. and this Agreement. Inspections performed under the American Society of Home Inspectors standards are intended to provide Client with information about the condition of inspected systems and components at the time of the home inspection. Additionally, inspections performed under the American Society of Home Inspectors standards are not technically exhaustive, and are not required to identify or to report: concealed conditions; latent defects; consequential damages; and cosmetic imperfections that do not significantly affect a component's performance or its intended function.
7. *Inspection Exclusions.*
 - a. Homespect IS NOT REQUIRED TO DETERMINE the condition of systems and components that are not readily accessible; the remaining life expectancy of systems and components; the strength, adequacy, effectiveness, and efficiency of systems and components; the causes of conditions and deficiencies; methods, materials, and costs of corrections (unless otherwise agreed to by the parties); future conditions, including, but not limited to, failure of systems and components; the suitability of the subject property for specialized uses; compliance of systems and components with past and present requirements and guidelines (including, but not limited to, codes, regulations, laws, ordinances, specifications, installation and maintenance instructions, and use and care guides); the market value of the subject property and its marketability; the advisability of purchasing the subject property; the presence of plants, animals, and other life forms and substances that may be hazardous or harmful to humans including, but not limited to, wood destroying organisms, molds and mold-like substances; the presence of environmental hazards including, but not limited to, allergens, toxins, carcinogens, electromagnetic radiation, noise, radioactive substances, and contaminants in building materials, soil, water, and air; the effectiveness of systems installed and methods used to control or remove suspected hazardous plants, animals, and environmental hazards; operating costs of systems and components; acoustical properties of systems and components; soil conditions relating to geotechnical or hydrologic specialties; or whether items, materials, conditions and components are subject to recall, controversy, litigation, product liability, and other adverse claims and conditions.
 - b. Homespect IS NOT REQUIRED TO OFFER OR TO PERFORM acts or services contrary to law or to government regulations; architectural, engineering, contracting, or surveying services or to confirm or to evaluate such services performed by others; trades or professional services other than home inspection; or warranties or guarantees.
 - c. Homespect IS NOT REQUIRED TO OPERATE systems and components that are shut down or otherwise inoperable; systems and components that do not respond to normal operating controls; shut-off valves and manual stop valves; or automatic safety controls.
 - d. Homespect IS NOT REQUIRED TO ENTER areas that will, in the professional judgment of the inspector, likely be dangerous to the inspector or to other persons, or to damage the subject property or its systems and components; or under-floor crawlspaces and attics that are not readily accessible.
 - e. Homespect IS NOT REQUIRED TO INSPECT underground items including, but not limited to, underground storage tanks, water lines, and plumbing, or any indication of their presence, whether abandoned or active; items that are not installed; installed decorative items; items in areas that are not entered in accordance with the American Society of Home Inspectors standards; detached structures other than garages and carports; common elements and common areas in multi-unit housing, such as condominium properties and cooperative housing; every occurrence of multiple similar components; or outdoor cooking appliances.
 - f. Homespect IS NOT REQUIRED TO perform procedures or operations that will, in the professional judgment of the inspector, likely be dangerous to the inspector or to other persons, or to damage the subject property or its systems or components; describe or report on systems and components that are not included in the American Society of Home Inspectors standards and that were not inspected; move personal property, furniture, equipment, plants, soil, snow, ice, and debris; dismantle systems and components, except as explicitly required by the American Society of Home Inspectors; reset, reprogram, or otherwise adjust devices, systems, and components affected by inspection required by the American Society of Home Inspectors standards; ignite or extinguish fires, pilot lights, burners, and other open flames that require manual ignition; or probe surfaces that would be damaged or where no deterioration is visible or presumed to exist.
 - g. Homespect 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.
 - h. Homespect 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: (a) asbestos; (b) radon; (c) oil, gasoline or any other petroleum product; (d) lead; (e) urea formaldehyde; (f) mold; (g) mildew; (h) fungus; (i) odors; (j) noise; (k) toxic or flammable chemicals; (l) water or air

quality; (m) PCBs or other toxins; (n) electromagnetic fields; (o) underground storage tanks; (p) proximity to toxic waste sites or sites being monitored by any state or federal agency; (q) carbon monoxide; (r) 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.

- i. Homespect IS NOT REQUIRED TO INSPECT: (a) timers; (b) clocks; (c) thermostats; (d) safety devices; (e) lawn sprinklers; (f) detached structures; (g) fencing; (h) low voltage wiring or components; (i) radiant heat system performance; (j) security systems; (k) solar water heating components; (l) appliances, (m) freezers or similar storage compartments; (n) elevators, dumbwaiters and/or lifts of any type; (o) fire protection systems including sprinklers, hoods, ducts, air filtration systems and standpipes; (p) acoustical properties and/or soundproofing; or (q) any water lines and plumbing.
8. *Responsibility for Return Inspections.* 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 Client's duty to contact Homespect should Client desire Homespect 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 Homespect to return at a later date or time Client hereby agrees that Homespect will charge Client an additional fee in the amount of \$100.00 to conduct the return inspection.
 9. *Disclaimer of Warranty.* 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 the report is a substitute for any real estate transfer disclosures that may be required by law.
 10. *Client Default.* If Client is in default of any term of this Agreement, Homespect may declare Client's interest in this Agreement terminated and Homespect will not carry out any services defined herein and all funds paid by Client will be forfeited.
 11. *Cost of Enforcement.* Client shall pay all costs and expenses, including all attorney fees, incurred by Homespect in enforcing the provisions of this Agreement or in recovering any claims or damages arising from Client's breach of this Agreement.
 12. *Choice of law; Dispute resolution; Jurisdiction and venue.* This Agreement shall be governed and controlled by the laws of the State of Michigan. Any dispute between Homespect and Client related to this Agreement, including the interpretation of this Agreement and the adequacy of any performance under this Agreement, shall be resolved by arbitration before a single arbitrator who is mutually acceptable to Client and Homespect. The decision of the arbitrator on any dispute shall be final and binding on the Parties and enforceable in any court of appropriate jurisdiction. However, should it become necessary for Homespect to employ an attorney to enforce any of the conditions or covenants hereof, including, but not limited to, collections or arbitration, Client agrees to pay all expenses so incurred, including all attorneys' fees. Notwithstanding the aforementioned, Client and Homespect hereby agree to mediate any dispute related to this Agreement prior to initiating said arbitration. Yet, should it become necessary for Homespect to employ an attorney to enforce any of the conditions or covenants hereof, including, but not limited to, collections or mediation, Client agrees to pay all expenses so incurred, including all attorneys' fees. If, for any reason, any dispute arising out of or relating to this Agreement shall be subject to litigation, said litigation shall be conducted exclusively in Kalamazoo County and the Parties consent to such jurisdiction and venue.
 13. *Notices.* All notices, deliveries, or tenders given or made in connection with this Agreement shall be deemed complete and legally sufficient if sent electronically, mailed by ordinary First-Class Mail, or delivered personally to the party at the addresses identified above.
 14. *Entire Agreement; Amendment.* This Agreement contains the entire agreement of the Parties. All prior and simultaneous negotiations are merged in this Agreement. This Agreement may be modified or amended only by a written document signed by the Parties.
 15. *Non-assignability.* This Agreement may not be assigned, in whole or in part, by either party, without written consent from the other.
 16. *Binding effect.* This Agreement shall bind and benefit the Parties, and their successors, heirs, and representatives.
 17. *Severability.* If any term, covenant, or condition of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall remain in effect; each term, covenant, and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
 18. *Effective date.* This Agreement shall be binding on the date that both parties' signature is affixed.
 19. *Counterparts; Electronic transmission.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile or electronic transmission, and a facsimile or electronic version of this Agreement or of a signature of a party will be effective as an original.

CONTRACT HAS BEEN READ, UNDERSTOOD AND ACCEPTED BY:

CLIENT:

HOMESPECT INSPECTIONS, LLC:

Signature(s):

By:

Printed Name(s):

Printed Name:

Date:

Date: