

## Commercial Property Inspection Agreement

1. Building Inspectors Group Inc. dba "Raleigh Inspection Service" will perform an inspection of the building identified below (the "Property"). We agree to mail or email the Client an inspection report within five (5) business days of the inspection. The inspection is limited to visual observations of the readily accessible areas, systems and components of the building and the apparent conditions existing at the time of inspection only. Conditions of the Property could change after the time of inspection and some existing conditions may only be observable under different conditions than exist at the time of inspection.
2. The report emphasis will be on identifying the present condition and anticipated life expectancies of major components. Opinion of Probable cost is not included unless the client requests this service. An all-inclusive list of minor building flaws will not be provided. Building code and bylaw compliance issues are not normally covered in the inspection.
3. The inspection will report on the following on a sampling basis:
  - a. Exterior- Provide description of exterior wall cladding and identify existing defects in need of immediate repair.
  - b. Roof- Provide roof material description and identify defects in need of immediate repair.
  - c. Foundation- Provide structural description of roof, wall, and flooring system. Identify existing defects in need of immediate repair. A Structural Engineer will be recommended if inspector feels significant structural defects exist at the subject property.
  - d. Plumbing System- Provide a description of the plumbing waste system and water supply system. Water supply fixtures and drains will be tested at random.
  - e. Heating Systems- Provide description and estimate remaining useful life of all accessible heating systems. Heat systems are tested on a sampling basis if more than 3 systems are present on the Property. The report will list all systems not functioning as intended.
  - f. Cooling System- Provide description and estimate remaining useful life of all cooling systems. Cooling systems are tested on a sampling basis if more than 3 systems are present on the Property. The report will list all systems not functioning as intended. Cooling systems are not tested if outdoor temperature is less than 65 degrees.
  - g. Electrical System- Provide basic description of the electrical service panels. Receptacle and service panel covers will not be removed. Thermal imaging will be used to discover anomalies that warrant further investigation.
  - h. Interior of office suites- Provide basic description of the interior condition of each dwelling.
  - i. Thermal Imaging- A FLIR i7 Infrared Camera will be used to scan interior components, ceilings, and electrical equipment. All abnormalities related to exterior moisture intrusion, interior plumbing leaks, and overheating electric circuitry will be reported if discovered.
4. The inspection will NOT include: Systems and conditions which are not within the scope of the inspection include, but are not limited to: life safety systems, elevators, all environmental issues, kitchen cooking equipment, asbestos, radon, lead based paint, formaldehyde, any toxic materials, underground storage tanks, jetted tubs, spas, swimming pools, unattached exterior buildings, recreational or leisure equipment or facilities, private wells/water systems, private septic tanks, below ground septic/drainage systems, EIFS stucco, security/fire alarm systems, cosmetic deficiencies, washers, dryers and other portable appliances, shower drain pans, portable air conditioning or heating units, irrigation systems, below grade foundation water penetration, geological stability, lot-line placement, product recalls, termite/pest/rodent infestation, zoning ordinances, building code conformity, and any component or system that is shut down without power/fuel or otherwise secured. Any area or component that is not exposed to view, is concealed, is hidden, or is inaccessible because of soil, walls, floors, carpets, ceilings, furnishings, or any other thing is not included in the inspection. The inspector will not move furniture, floor coverings, panels, insulation, soil, storage, or other items to conduct this inspection or otherwise to expose concealed or inaccessible conditions. The inspection does not include any destructive testing or dismantling. Client assumes all the risk for all conditions which are concealed from view at the time of the inspection. The inspector will not operate heating or cooling systems in temperatures that may cause disruption to currently occupied spaces or damage to such systems. Air conditioning systems will not be operated in outside temperatures of 65 degrees or less. All utilities must be "turned on" in order to inspect such systems. All pilot lights must be lit in order to inspect any systems with a pilot light. If any reference is made in the inspection report concerning any excluded items, it is for general information only and is not part of the inspection report.
5. Client and Raleigh Inspection Service agree that if any portion of this Agreement is found invalid or unenforceable by any court of qualified jurisdiction, the remaining provisions shall remain in force between the parties.
6. WARRANTY AND DISCLAIMER. RALEIGH INSPECTION SERVICE will perform the inspection in accordance with ASTM Standard 2018-15 (Standard Guide For Property Condition Assessments). EXCEPT FOR THE FOREGOING, RALEIGH INSPECTION SERVICE DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
7. LIMITATION OF LIABILITY. Client understands and agrees that if the Client believes that Raleigh Inspection Service has made an error or has failed to accurately report the visually discernible conditions at the Property, as limited herein above, Client will notify Raleigh Inspection Service in writing within ten (10) business days of discovery. Client agrees to provide Raleigh Inspection Service with a reasonable opportunity to re-inspect the Property and to address such alleged error or omission prior to the repair, alteration or modification of any items related to such alleged error or omission. Client understands and agrees that any failure to notify Raleigh Inspection Service as stated above shall constitute a waiver of any and all claims for said failure to accurately report the condition in question. IN ALL EVENTS, RALEIGH INSPECTION SERVICE AGGREGATE CUMULATIVE LIABILITY (INCLUDING THE AGGREGATE CUMULATIVE LIABILITY OF ANY OF ITS PRINCIPALS', AGENTS AND EMPLOYEES) FOR ANY AND ALL CLAIMS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE SUM TOTAL OF ALL PAYMENTS MADE BY CLIENT TO RALEIGH INSPECTION SERVICE PURSUANT HERETO. CLAIMS FOR DAMAGES MUST BE MADE WITHIN ONE YEAR OF THE DATE OF THE INSPECTION REPORT OR BE FOREVER BARRED. This liability limitation is binding on Client and Client's successors and permitted assigns.

8. Any contract dispute or claim arising out of, or in connection with, this Agreement shall be finally settled by binding arbitration in accordance with the then current rules and procedures of the American Arbitration Association by one (1) arbitrator appointed by the American Arbitration Association. The arbitrator shall apply the law of the State of North Carolina, without reference to rules of conflict of law or statutory rules of arbitration, to the merits of any dispute or claim. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The parties agree that, any provision of applicable law notwithstanding, they will not request, and the arbitrator shall have no authority to award punitive or exemplary damages against any party. In the event that any arbitration, action or proceeding is brought in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

9. The terms and conditions of this Agreement shall apply to the original inspection, as well as any subsequent inspections that may be performed on the Property.

I/WE HAVE READ, UNDERSTAND, AND AGREE TO ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Date:

Cost of Inspection:

Property Address:

Estimated Square Footage: square feet

Client Name:

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Client Signature: Date: