



Michael Leavitt & Co Inspections, Inc.

1145 N. Main Street Orem, Utah 84057

801-225-8020 * www.TheHomeInspector.com * Fax 801-224-6207



SERVICE AGREEMENT

INSPECTION ADDRESS: 1445 South 680 West - Anytown, UT

CLIENT: Joseph Homebuyer **INSPECTION DATE:** 08/24/2004 **START TIME:** 01:00 PM

WHAT YOUR INSPECTION INCLUDES - We will make a visual inspection of the prominently visible and accessible areas of the property. The Inspection Report is a reasonable effort to assess the DURABILITY and SERVICEABILITY of the property in its present state, and our analysis is limited to our written Report. The Report does not evaluate "desirability" of a property. You should have already determined that this property is desirable using your own set of criteria.

THE INSPECTOR WILL ATTEMPT TO BE FAIR BY POINTING OUT BOTH THE STRONG AND WEAK POINTS OF THE PROPERTY. Home ownership brings with it the certainty that failures & repairs will occur. Your Home Inspection will not be able to predict all such occurrences, but a 2 or 3 hour investigation by our professional Inspector, & the resulting Report, should provide you with a useful tool.

Our inspections are not intended as a service call. Operable conditions of mechanical, electrical, plumbing devices or other items are only surmised from the visible evidence. No maintenance services, removal of cowlings, or destructive discovery can or will be performed. Should we locate an item that is not serviceable, or creates doubt for our Inspector, then we will suggest that a licensed tradesperson be contacted to investigate further and/or make repairs. This inspection is not conducted to detect every minor problem or condition that may exist in the building. Cosmetic deficiencies are to be considered obvious. It is understood that if "Cosmetic Inclusive" inspection is desired, that service is beyond the parameters of a regular Home Inspection and requires an additional fee.

You are encouraged to be on the site at the time of the Inspection, or arrive near the completion of our Inspector's evaluation, so that he can review the inspection findings with you in person. If you are unable to attend, we will be happy to try and answer your questions by phone. Should an additional visit to the property be required, it will be billed at our hourly rate.

The inspection will be performed in accordance with the Standards of Practice of the American Institute of Inspectors®. A copy of the Standards of Practice is available upon request, or they can be viewed online at www.inspection.org or www.TheHomeInspector.com. For equipment and components of the home which are not to be operated or tested, please refer to the Standards of Practice.

RISK OF BUYERS & SELLERS - Buyers are always at risk. **OUR VISUAL INSPECTION MAY ILLUMINATE SOME AREAS OF RISK, BUT CANNOT ELIMINATE IT. OUR INSPECTOR IS LIMITED TO THE EXISTING CLUES AND SYMPTOMS ON THE DAY OF OUR INSPECTION, AND WE CANNOT BE LIABLE FOR NON-VISIBLE, OBSCURE, OR CONCEALED FAULTS.** Claims for concealed conditions, whether intentional or unintentional, must be made against the seller of the property.

The most conscientious visual inspection is not capable of determining all conditions that actually exist within a house. We make a random evaluation of some components and, of course, cannot move furniture, etc., to obtain access. Even with our thorough effort, these are some examples of the types of things our Inspection cannot determine:

- | | |
|---|--|
| 1. Improperly made wiring connections. | 5. Roof, wall, or basement leaks that only occur under unusual conditions. |
| 2. Random outlets or switches that do not function. | 6. The inner workings and integrity of mechanical items including combustion chambers. |
| 3. Cracks in fireplaces, chimneys or liners. | 7. Underground and/or concealed pipes, drains, foundations, or wiring. |
| 4. A drafty or hard to heat & cool home. | 8. Concealed rot and damage inside wall, floor, and ceiling cavities. |

If we find 90% of the Reportable Conditions, then we have done an excellent job. Although, there are many items that our Inspector might determine or surmise if given enough time, our evaluation is also limited by a reasonable investment of the Inspector's time for the fee paid. There are, therefore, other items that could be added to the above list after a reasonable and competent inspection on any particular property.

MOISTURE EQUALS MOLD - Moisture may be found in the structure during our visual inspection. If moisture is found, then it is scientifically known that moisture and mold are inter-related. We do not claim to have the background, education, or experience necessary to formulate an opinion as to the existence or non-existence of mold. If moisture is listed in any portion of the report, then we want our client's to understand that mold may also be present and that they should meet with the experts of their choice who have the background, education and experience to help them.

Hazardous materials and indoor air quality are beyond the scope of the Home Inspection Report. If asbestos, molds, fungi, concealed rot, sick home syndrome, indoor air quality, electromagnetic fields, fiberglass, formaldehyde, hazardous wastes, lead, radon, soils contamination, underground storage tank contamination, or other quality of drinking water and waste disposal are a concern, please contact an appropriate expert. This Inspection Firm may be qualified to evaluate and report on some of the Hazardous Materials listed above, but these service must be contracted separately and the findings will not be included in this limited visual inspection report.

CONFIDENTIALITY - The client understands that the Home Inspection and Inspection Report are performed for their sole, confidential and exclusive use. While our inspection firm retains ownership and copyright to the report, the Client agrees that they will not transfer or disclose any part of the inspection report to any other person with the exception of these ONLY: (a) one copy may be provided to the current seller(s) of the property, but only upon the express conditions that the seller(s) covenant to use the Inspection Report only in connection with the Client's transaction, and agrees not to transfer or disclose the report to any persons other than their real estate Agent, and (b) one copy may be provided to the real estate Agent representing the Client and/or a bank or other lender for use in the Client's transaction only. The Client agrees to indemnify, defend and hold harmless this inspection firm from third party claims relating to this Home Inspection or Inspection Report.

CODE COMPLIANCE - Our Inspection is one of "Serviceability," NOT Code Compliance. While building codes may be referenced, just as other authoritative sources may be referenced, the inspection is not a compliance inspection or certification for building or other governmental codes or regulations of any kind. By necessity, our Inspection deals with existing structures which may have older types of wiring, plumbing, heating, etc. As an illustration, today, most local building departments require ground fault interrupter circuits, insulation in the exterior walls, anchor bolts, and dozens of other items which have not always been included in the building codes. Homes absent these installations can be "serviceable," even though they do not meet current codes, (or may not even be desirable for modern life styles.) We assume that the "then current" codes were complied with at the time of construction. **IT IS ASSUMED THAT PURCHASERS OF OLD HOMES EXPECT TO RECEIVE OLD PLUMBING, OLD WIRING, OLD HEATING SYSTEMS, OLD FLOORING, OLD SIDING, ETC.** The desirability of owning older designs is a matter of taste and is the decision of the buyer. The Code of Ethics of the American Institute of Inspectors® EXPLICITLY EXCLUDES COMMENTING ON "DESIRABILITY." Obtaining or reviewing information from any third-parties including, but not limited to: government agencies (such as permits), component or system manufactures (INCLUDING PRODUCT DEFECTS, RECALLS OR SIMILAR NOTICES), is also beyond the scope of this evaluation.



Michael Leavitt & Co Inspections, Inc.

1145 N. Main Street Orem, Utah 84057

801-225-8020 * www.TheHomeInspector.com * Fax 801-224-6207



ADDITIONAL SERVICES - PLEASE NOTE: This limited visual Home Inspection does not include information about Wood Destroying Insects, Lead-Based Paint, or Radon although we do offer these services. If these items are a concern, please contract with our firm to have the services performed.

WARRANTIES AND INSURANCE - The Inspection and Report are not intended to be construed as a guarantee or warranty, expressed or implied, including any implied warranty of merchantability or fitness for use regarding the conditions of the property, items and systems inspected, and it should not be relied upon as such. Warranty Insurance plans which may insure appliances in the structure are available at the buyer's option from other companies.

YOU SHOULD NOTE - The conditions stated in our Report are NOT repair requirements. Some items in the Report are, by definition, subjective and the "opinion only" of the Inspector stating the relative conditions encountered. Our intention is to provide an unbiased analysis. Our Inspector is not allowed to make repair solutions or comment on the quality of materials and workmanship. Decisions regarding maintenance or repairs are left to you and your repair tradesperson.

In addition, our Inspector is not allowed to answer the question, "Would you buy this home if you were me?" Our purpose is to create a Report that can help you in your decision, but you should not base the decision to buy solely on our Report. Your decision to purchase this home includes responsibility for the future maintenance of the grounds, structure, and mechanical/electrical/plumbing systems. Unfortunately, some home buyers later wish that they had not bought their home. Because you are a thoughtful consumer, we do not expect that situation to develop. But in the unlikely event it should, your signature below waives the claim: "But for your inspection, I would not have bought this home..." and other similar claims. Time is of the essence to this agreement. Paragraph titles and headings are not to be considered part of the agreement.

The client understands and agrees that if they are not present at the time of the Inspection and therefore do not sign this Service Agreement that this agreement will form a part of the Inspection Report and acceptance of the Inspection Report by the Client shall and therefore will constitute acceptance of the terms and conditions of this Service Agreement.

ARBITRATION - If you feel that the Inspection was negligent in some respect, you are personally expected to immediately communicate this IN WRITING to our address above within ten (10) business days of discovery. Any legal action must be brought within (1) year from the date of the inspection, failure to bring said action within (1) year of the date of the inspection is a full and complete waiver of any rights, actions or causes of actions that may have arisen therefrom. Communication must be from the party originally contracting with us for our service. (Note: If you call in contractors to comment on a component, you can expect subjective and biased opinions from their sales people.) However, we will respond to any legitimate complaint because we recognize that Inspectors are human and potentially fallible.

Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any 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 to final and binding arbitration under the Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the Arbitrator appointed thereunder shall be final and binding and judgement on the Award may be entered in any Court of competent jurisdiction.

Property or equipment in dispute must be made accessible for re-inspection and arbitration. The accepted standard against which the inspection will be judged will be the "Standards of Practice" as published by the American Institute of Inspectors®. Arbitration shall occur at the property in question. All inspections will be judged against the performance of a reasonably fair and diligent inspection and not against results or occurrences. **No consideration shall be given to clients who fail to perform a complete pre-closing walkthrough inspection prior to transfer of title.** By agreement herein, no settlement in favor of the client shall exceed \$500.00 or the inspection fee, whichever is greater. Disputes settled without favor to the client will mandate payment of fees at the hourly rate stated below for time invested by our staff or principals.

NOTE: If any portion of this Service Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in force between the parties.

FEES - The fee for this inspection is \$ _____ payable at the conclusion of the inspection by either cash, check or credit card. We accept Visa, MasterCard, American Express, and Discover.

CHECKS SHOULD BE MADE PAYABLE TO: Michael Leavitt & Co

DEFERRED PAYMENTS ARE SUBJECT TO A SURCHARGE OF 20% IF THE RETURN MAIL ENVELOPE IS NOT POSTMARKED WITHIN 3 DAYS OF THE INSPECTION (\$300.00 FEE = \$60.00 SURCHARGE). Plus, after 30 days, fees are subject to interest at 1.5% per month as well as any additional collection fees levied by the Collection Agency. This Service Agreement is considered the first notice of payment. Your prompt payment is greatly appreciated. The Inspection Fee is for the service performed on the property. Re-inspections, Research, or Expanded Reports, (including disputed issues requiring investment of time by our staff or principals), will be payable at the rate of \$135.00 per hour.

PERMISSION IS GRANTED TO PERFORM AN INSPECTION PER THE ABOVE AGREEMENT AND PAYMENT IS AGREED UPON AS OUTLINED ABOVE.

I HAVE READ AND ACCEPT THIS AGREEMENT:

INSPECTOR:

DATE: 08/24/2004

APPROVED: _____

DATE: _____

One signature binds all parties

PLEASE CHECK - () Buyer's Signature * () Realtor as Agent for... () Buyer () Seller * () Seller's Signature

CAUTION: DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ IT

E-mail Address: _____

Page 2 of 3



"CREDIT CARD PAYMENT"

INSPECTION ADDRESS: 1445 South 680 West - Anytown, UT

Client: Joseph Homebuyer

Inspection Date: 08/24/2004

Inspection Time: 01:00 PM

Services Performed: 1 Inspection

Inspection Fee Total: \$ _____ **Please Initial** _____

Card Used: VISA MC DISCOVER AMEX **Other:** _____

Card Number: _____

Expiration Date: _____

Name on Card: _____

Agreement: Cardholder acknowledges and authorizes payment for inspection services from Michael Leavitt & Co Inspections, Inc in the amount of the "Inspection Fee Total" shown above and agrees to perform the obligations set forth in the Cardholder's agreement with the issuer of the Credit Card.

Client's Signature: _____ **Date:** _____

OFFICE USE ONLY

Authorization Number: _____



Michael Leavitt & Co Inspections, Inc.
1145 N. Main Street Orem, Utah 84057
801-225-8020 * www.TheHomeInspector.com * Fax 801-224-6207



"INVOICE"

03/24/2004

INSPECTION ADDRESS: 1445 South 680 West - Anytown, UT

Client: Joseph Homebuyer

Inspection Date: 08/24/2004

Inspection Time: 01:00 PM

Service Performed: 1 Inspection

Inspection Fee: \$

Payment Schedule: The fee should be paid at the conclusion of the inspection. Delayed payments should be sent to our offices within 3 days of receiving the report. Payments delayed more than 3 days are subject to an additional \$50 billing fee as well as any other fees as outlayed in the Service Agreement.

Please mail payment along with a signed copy of the Service Agreement to:

Michael Leavitt & Co
1145 N. Main Street
Orem, Utah 84057

Credit Card Payment: If you would prefer to pay by credit card you may do so by completing pages 1, 2, and 3 of the Service Agreement. You can then either immediately drop these pages in the mail, or you can fax them to us at 801-224-6207. We accept Visa, MasterCard, American Express, and Discover card.

Thank you for selecting our firm to do your property inspection. If you have any questions regarding the inspection report or the home, please feel to call us at (801)225-8020.

Sincerely,

Michael D. Leavitt
Certified Home Inspector